

**MISSOURI
DEPARTMENT OF REVENUE**



FY2024 BUDGET REQUEST

with Governor's Recommendations
Book 2 of 2: State Tax Commission and Lottery

**DEPARTMENT OF REVENUE
FISCAL YEAR 2024 BUDGET
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Overview

State Tax Commission

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six (6) basic functions. These functions are:

1. Equalize inter- and intra-county assessments,
2. Conduct *de novo* judicial hearings regarding valuation and classification appeals from local boards of equalization in individual assessment cases,
3. Formulate and implement statewide assessment policy and procedures to comport with statutory and constitutional mandates,
4. Supervise local assessing officials and local assessment programs to ensure compliance with statewide policy requirements,
5. Conduct ratio studies to determine the assessment level in each county and to measure the quality of the assessment program, and
6. Original assessment of the distributable property of railroads, airlines, pipelines, telecommunications, and public utilities

The State Tax Commission oversees an assessment system, which is responsible for the annual collection of \$8.96 billion in property tax revenues, which serves as the financial foundation for public schools and local governmental agencies.

The State Tax Commission envisions an ad valorem assessment landscape which ensures the equitable treatment of all property owners in the State of Missouri. This vision will be manifested through the State Tax Commission's emphasis on the guiding values of work ethic, discipline, integrity, efficiency, and impartiality in its performance of its duties and the fulfillment of its responsibilities to the citizens of Missouri.

Department strategic overview: FY24 Budget

DEPARTMENT:	<i>State Tax Commission</i>
DIRECTOR:	<i>Gary Romine</i>
DEPARTMENT ASPIRATION:	<i>Transparent, uniform, and equitable statewide assessment program</i>
HIGHLIGHTS FROM FY22	<ul style="list-style-type: none"> • <i>Developed web-based interface for data submissions without the use of cumbersome paper forms</i> • <i>Utilized technology to conduct training sessions and hearings; implemented electronic/digital files; semi-automated correspondence; and redesigned and redeveloped case management system to increase transparency</i>
FY23 PRIORITIES	<ul style="list-style-type: none"> • <i>Utilize the internal integrated computer system for generating more automated correspondence with taxpayers and counties to reduce the time needed to send out information electronically</i> • <i>Increase transparency by implementing continued improvements to case management system to allow for all documents and evidence related to property tax appeals to be uploaded, retained, and viewable in electronic format through a web interface for public access</i>
FY24 PREVIEW	<ul style="list-style-type: none"> • <i>Implement a Taxpayer Outreach Program for the education of taxpayers to improve their understanding of their respective filing requirements, increase the accuracy of their submissions, and expand their adoption of FTP (file transfer protocol)</i> • <i>Increase understanding of property tax appeal process by implementing additional outreach programs and interactive presentations for the education of county assessors, county boards of equalization, taxpayers, tax representatives, and attorneys</i>

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER: 86911C BUDGET UNIT NAME: State Tax Commission HOUSE BILL SECTION: 4.160	DEPARTMENT: Revenue DIVISION: State Tax Commission
1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.	
DEPARTMENT REQUEST	
The State Tax Commission is requesting 10% flexibility based on total GR funding for FY-2024. Flexibility was granted at 10% in FY-2016 through FY-2023 and at 25% in FY-2014 and FY-2015.	
2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.	
PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
	\$5,000 - \$30,000
BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	
\$5,000 - \$30,000	
3. Please explain how flexibility was used in the prior and/or current years.	
PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
	The planned utilization of any flexibility requests would be to pay on-going expenses due to travel to assist counties as well as education needs and requirements for team members with designations.

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE TAX COMMISSION								
CORE								
PERSONAL SERVICES								
GENERAL REVENUE	2,165,786	35.52	2,439,890	37.00	2,439,890	37.00	2,439,890	37.00
TOTAL - PS	2,165,786	35.52	2,439,890	37.00	2,439,890	37.00	2,439,890	37.00
EXPENSE & EQUIPMENT								
GENERAL REVENUE	124,674	0.00	175,242	0.00	175,242	0.00	175,242	0.00
TOTAL - EE	124,674	0.00	175,242	0.00	175,242	0.00	175,242	0.00
TOTAL	2,290,460	35.52	2,615,132	37.00	2,615,132	37.00	2,615,132	37.00
SENIOR HEARING OFFICER 1 FTE - 1860016								
PERSONAL SERVICES								
GENERAL REVENUE	0	0.00	0	0.00	65,347	1.00	0	0.00
TOTAL - PS	0	0.00	0	0.00	65,347	1.00	0	0.00
TOTAL	0	0.00	0	0.00	65,347	1.00	0	0.00
Pay Plan - 0000012								
PERSONAL SERVICES								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	212,271	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	212,271	0.00
TOTAL	0	0.00	0	0.00	0	0.00	212,271	0.00
GRAND TOTAL	\$2,290,460	35.52	\$2,615,132	37.00	\$2,680,479	38.00	\$2,827,403	37.00

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im_disummary

NEW DECISION ITEM
RANK: 2 OF 3

Department of Revenue	Budget Unit _____
Division - State Tax Commission	
Pay Plan - FY 2024 Cost to Continue DI# 0000012	HB Section _____

1. AMOUNT OF REQUEST

FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	0	0	0	0	PS	212,271	0	0	212,271
EE	0	0	0	0	EE	0	0	0	0
PSD	0	0	0	0	PSD	0	0	0	0
TRF	0	0	0	0	TRF	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	Total	<u>212,271</u>	<u>0</u>	<u>0</u>	<u>212,271</u>
FTE	0.00	0.00	0.00	0.00	FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Est. Fringe	77,436	0	0	77,436
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Various

Other Funds: Various

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input checked="" type="checkbox"/> Pay Plan	<input type="checkbox"/> Other: _____	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

The FY 2024 budget includes appropriation authority for the statewide pay increase for employees, including three components:

- 8.7% pay increase for employees;
- Updated shift differentials for staff working in 24/7 congregate care facilities to \$2 per hour for evening and overnight shifts; and,
- A market-based pay increase for non-commission based executive agency directors (based on the 2019 State of Missouri Compensation & Benefits Study commissioned by CBIZ, aged by 10.7% to July 2022, based on private and public sector data for neighboring states only; or a 4.33% COLA for directors already making the CBIZ rate, based on the lowest percent increase given to directors currently being paid under the CBIZ rate).

NEW DECISION ITEM

RANK: 2 OF 3

Department of Revenue	Budget Unit _____
Division - State Tax Commission	
Pay Plan - FY 2024 Cost to Continue DI# 0000012	HB Section _____

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The appropriated amount for the Fiscal Year 2024 pay plan was based on an 8.7% pay increase for employees, updating shift differentials for staff working in 24/7 congregate care facilities to \$2 per hour for evening and overnight shifts, and adjustments to department director salaries based on the 2019 State of Missouri Compensation & Benefits Study commissioned by CBIZ.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
100-Salaries and Wages							0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
100-Salaries and Wages	212,271				0		212,271	0.0	
Total PS	212,271	0.0	0	0.0	0	0.0	212,271	0.0	0
Grand Total	212,271	0.0	0	0.0	0	0.0	212,271	0.0	0

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE TAX COMMISSION								
Pay Plan - 0000012								
CHIEF COUNSEL	0	0.00	0	0.00	0	0.00	8,687	0.00
COMMISSION MEMBER	0	0.00	0	0.00	0	0.00	21,195	0.00
COMMISSION CHAIRMAN	0	0.00	0	0.00	0	0.00	10,598	0.00
SENIOR HEARINGS OFFICER	0	0.00	0	0.00	0	0.00	17,055	0.00
SPECIAL ASST PROFESSIONAL	0	0.00	0	0.00	0	0.00	6,308	0.00
PRINCIPAL ASST BOARD/COMMISSON	0	0.00	0	0.00	0	0.00	6,786	0.00
ADMIN SUPPORT ASSISTANT	0	0.00	0	0.00	0	0.00	3,567	0.00
LEAD ADMIN SUPPORT ASSISTANT	0	0.00	0	0.00	0	0.00	7,565	0.00
ADMIN SUPPORT PROFESSIONAL	0	0.00	0	0.00	0	0.00	4,046	0.00
ASSOC RESEARCH/DATA ANALYST	0	0.00	0	0.00	0	0.00	4,481	0.00
SR APPRAISAL & ASSESSMENT REP	0	0.00	0	0.00	0	0.00	71,140	0.00
APPRAISAL & ASSESSMENT SPV/SPC	0	0.00	0	0.00	0	0.00	23,069	0.00
APPRAISAL & ASSESSMENT MANAGER	0	0.00	0	0.00	0	0.00	27,774	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	212,271	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$212,271	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$212,271	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

CORE DECISION ITEM

Department - Revenue	Budget Unit 86911C
Division - State Tax Commission	
Core - State Tax Commission	HB Section 4.160

1. CORE FINANCIAL SUMMARY

FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	2,439,890	0	0	2,439,890	PS	2,439,890	0	0	2,439,890
EE	175,242	0	0	175,242	EE	175,242	0	0	175,242
PSD	0	0	0	0	PSD	0	0	0	0
TRF	0	0	0	0	TRF	0	0	0	0
Total	2,615,132	0	0	2,615,132	Total	2,615,132	0	0	2,615,132
FTE	37.00	0.00	0.00	37.00	FTE	37.00	0.00	0.00	37.00
Est. Fringe	1,466,754	0	0	1,466,754	Est. Fringe	1,466,754	0	0	1,466,754
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

Other Funds:

2. CORE DESCRIPTION

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six basic functions:

- 1) To equalize inter and intra county assessments,
- 2) Conduct de novo judicial hearings regarding valuation and classification appeals from local boards of equalization,
- 3) Formulate and implement statewide assessment policy and procedures to comport with statutory and constitutional mandates,
- 4) Supervise local assessing officials and local assessment programs to ensure compliance with statewide policy requirements,
- 5) Conduct ratio studies to determine the assessment level in each county and to measure the quality of assessments, and
- 6) Assess the distributable property of railroads and utilities.

3. PROGRAM LISTING (list programs included in this core funding)

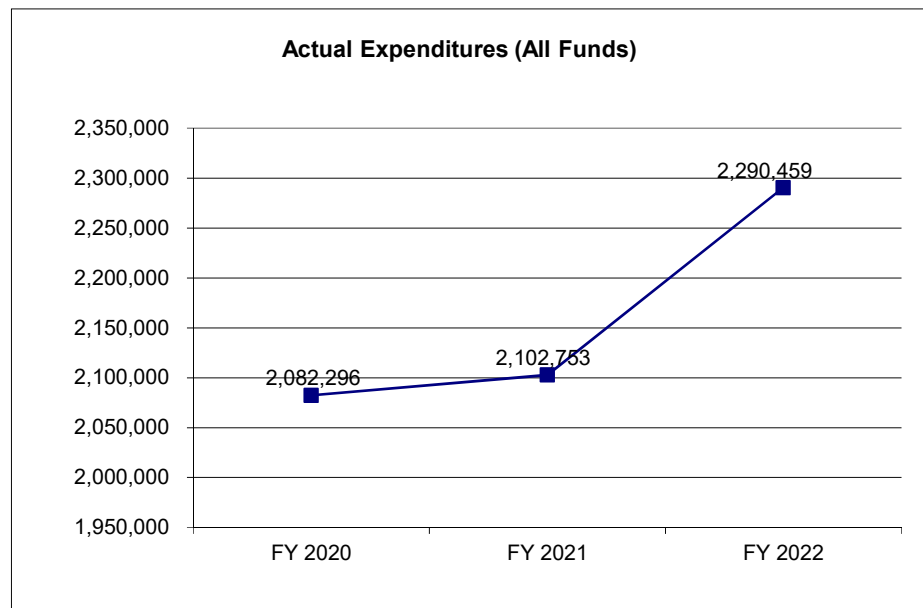
Legal
Original Assessment
Local Assistance

CORE DECISION ITEM

Department - Revenue	Budget Unit <u>86911C</u>
Division - State Tax Commission	
Core - State Tax Commission	HB Section <u>4.160</u>

4. FINANCIAL HISTORY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Current Yr.
Appropriation (All Funds)	2,267,110	2,329,272	2,452,330	2,615,132
Less Reverted (All Funds)	(57,979)	(59,696)	(63,286)	(67,491)
Less Restricted (All Funds)*	0	0	0	0
Budget Authority (All Funds)	2,209,131	2,269,576	2,389,044	2,547,641
Actual Expenditures (All Funds)	2,082,296	2,102,753	2,290,459	N/A
Unexpended (All Funds)	126,835	166,823	98,585	N/A
Unexpended, by Fund:				
General Revenue	126,835	166,823	166,823	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A



*Current Year restricted amount is as of _____.

Reverted includes the statutory three percent reserve amount (when applicable).

Restricted includes any Governor's expenditure restrictions which remained at the end of the fiscal year (when applicable).

NOTES:

FY-2020 there was a mandatory hold put into agency reserve totaling \$92,000 (E&E Reserve - \$10,000; P.S. Reserve - \$82,000).

CORE RECONCILIATION DETAIL

STATE
STATE TAX COMMISSION

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
TAFP AFTER VETOES							
	PS	37.00	2,439,890	0	0	2,439,890	
	EE	0.00	175,242	0	0	175,242	
	Total	37.00	2,615,132	0	0	2,615,132	
<hr/>							
DEPARTMENT CORE REQUEST							
	PS	37.00	2,439,890	0	0	2,439,890	
	EE	0.00	175,242	0	0	175,242	
	Total	37.00	2,615,132	0	0	2,615,132	
<hr/>							
GOVERNOR'S RECOMMENDED CORE							
	PS	37.00	2,439,890	0	0	2,439,890	
	EE	0.00	175,242	0	0	175,242	
	Total	37.00	2,615,132	0	0	2,615,132	
<hr/>							

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE TAX COMMISSION								
CORE								
CHIEF COUNSEL	92,298	1.00	97,848	1.00	99,850	1.00	99,850	1.00
COMMISSION MEMBER	232,054	2.00	243,626	2.00	243,626	2.00	243,626	2.00
COMMISSION CHAIRMAN	116,027	1.00	121,813	1.00	121,813	1.00	121,813	1.00
SENIOR HEARINGS OFFICER	171,936	2.88	196,040	3.00	196,040	3.00	196,040	3.00
MISCELLANEOUS TECHNICAL	10,400	0.20	0	0.00	0	0.00	0	0.00
MISCELLANEOUS PROFESSIONAL	33,145	0.44	0	0.00	0	0.00	0	0.00
SPECIAL ASST PROFESSIONAL	42,285	0.63	78,818	1.00	72,500	1.00	72,500	1.00
PRINCIPAL ASST BOARD/COMMISSON	71,787	1.00	77,565	1.00	78,000	1.00	78,000	1.00
ADMIN SUPPORT ASSISTANT	0	0.00	44,568	1.00	41,000	1.00	41,000	1.00
LEAD ADMIN SUPPORT ASSISTANT	65,262	1.88	86,956	2.00	86,956	2.00	86,956	2.00
ADMIN SUPPORT PROFESSIONAL	40,270	1.00	42,692	1.00	46,500	1.00	46,500	1.00
ASSOC RESEARCH/DATA ANALYST	45,773	1.00	50,798	1.00	51,500	1.00	51,500	1.00
SR APPRAISAL & ASSESSMENT REP	717,433	14.52	817,703	15.00	817,703	15.00	817,703	15.00
APPRAISAL & ASSESSMENT SPV/SPC	247,295	4.24	331,456	5.00	265,165	4.00	265,165	4.00
APPRAISAL & ASSESSMENT MANAGER	279,821	3.73	250,007	3.00	319,237	4.00	319,237	4.00
TOTAL - PS	2,165,786	35.52	2,439,890	37.00	2,439,890	37.00	2,439,890	37.00
TRAVEL, IN-STATE	30,341	0.00	52,905	0.00	48,036	0.00	48,036	0.00
TRAVEL, OUT-OF-STATE	5,278	0.00	2,375	0.00	7,875	0.00	7,875	0.00
SUPPLIES	43,959	0.00	55,196	0.00	50,000	0.00	50,000	0.00
PROFESSIONAL DEVELOPMENT	21,569	0.00	12,280	0.00	27,280	0.00	27,280	0.00
COMMUNICATION SERV & SUPP	4,056	0.00	13,138	0.00	5,000	0.00	5,000	0.00
PROFESSIONAL SERVICES	5,163	0.00	12,183	0.00	8,798	0.00	8,798	0.00
M&R SERVICES	11,801	0.00	16,071	0.00	16,071	0.00	16,071	0.00
MOTORIZED EQUIPMENT	0	0.00	736	0.00	736	0.00	736	0.00
OFFICE EQUIPMENT	0	0.00	7,681	0.00	7,681	0.00	7,681	0.00
OTHER EQUIPMENT	169	0.00	965	0.00	965	0.00	965	0.00
BUILDING LEASE PAYMENTS	169	0.00	112	0.00	200	0.00	200	0.00
EQUIPMENT RENTALS & LEASES	0	0.00	100	0.00	100	0.00	100	0.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE TAX COMMISSION								
CORE								
MISCELLANEOUS EXPENSES	2,169	0.00	1,500	0.00	2,500	0.00	2,500	0.00
TOTAL - EE	124,674	0.00	175,242	0.00	175,242	0.00	175,242	0.00
GRAND TOTAL	\$2,290,460	35.52	\$2,615,132	37.00	\$2,615,132	37.00	\$2,615,132	37.00
GENERAL REVENUE	\$2,290,460	35.52	\$2,615,132	37.00	\$2,615,132	37.00	\$2,615,132	37.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160

Program Name - Legal

Program is found in the following core budget(s): State Tax Commission

1a. What strategic priority does this program address?

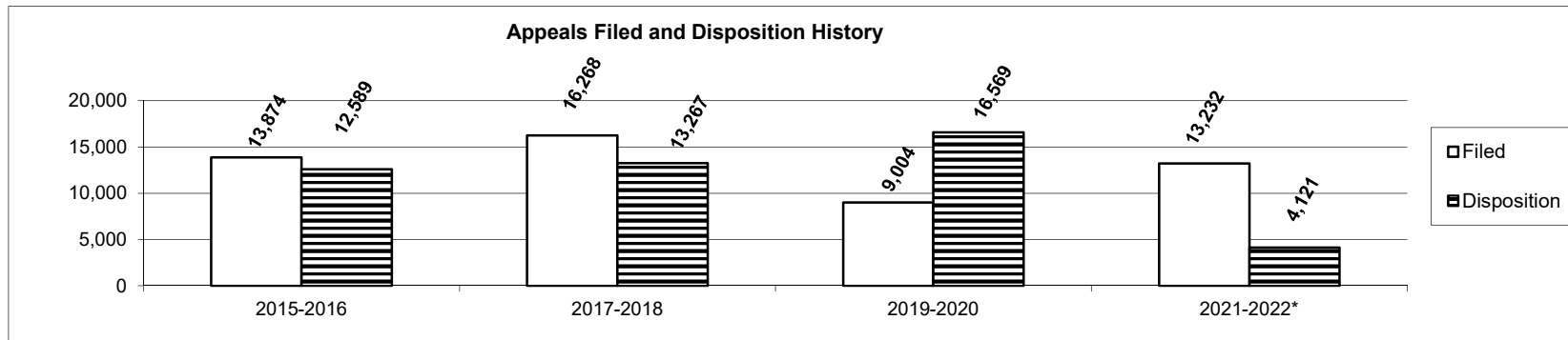
Transparent, uniform, and equitable statewide assessment program.

1b. What does this program do?

- Presides over property assessment appeals in 114 counties and the City of St. Louis
- Issues rulings on discovery and evidence disputes
- Conducts prehearing settlement conferences and evidentiary hearings
- Issues written decisions with findings of fact and conclusions of law

2a. Provide an activity measure(s) for the program.

Below is a graph that depicts the history of appeals filed and disposed during each assessment cycle (an assessment cycle begins January 1st of an odd year through December 31st of an even year - example 2021-2022 assessment cycle is January 1, 2021 - December 31, 2022).



* The 2021-2022 cycle will not be completed until December 31, 2022. The filing deadline for 2022 appeals is September 30, 2021, or 30 days after the date of the Board of Equalization decision being appealed, whichever is later.

County assessment officials determine the value and classification of property for property tax purposes for their respective counties. All Missouri taxpayers, which includes individuals and business entities, who disagree with the assessment determination have the right to appeal those determinations to the State Tax Commission. The State Tax Commission employs hearing officers who conduct hearings to determine the proper assessment of a taxpayer's property. The hearing officers render written decisions that include findings of fact and conclusions of law; if a taxpayer disagrees with the decision, the taxpayer has the right to appeal that decision to the three State Tax Commissioners. The State Tax Commissioners render a decision. If the taxpayer disagrees with the decision, the taxpayer can appeal through the Missouri Judicial Court system.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160

Program Name - Legal

Program is found in the following core budget(s): State Tax Commission

2b. Provide a measure(s) of the program's quality.

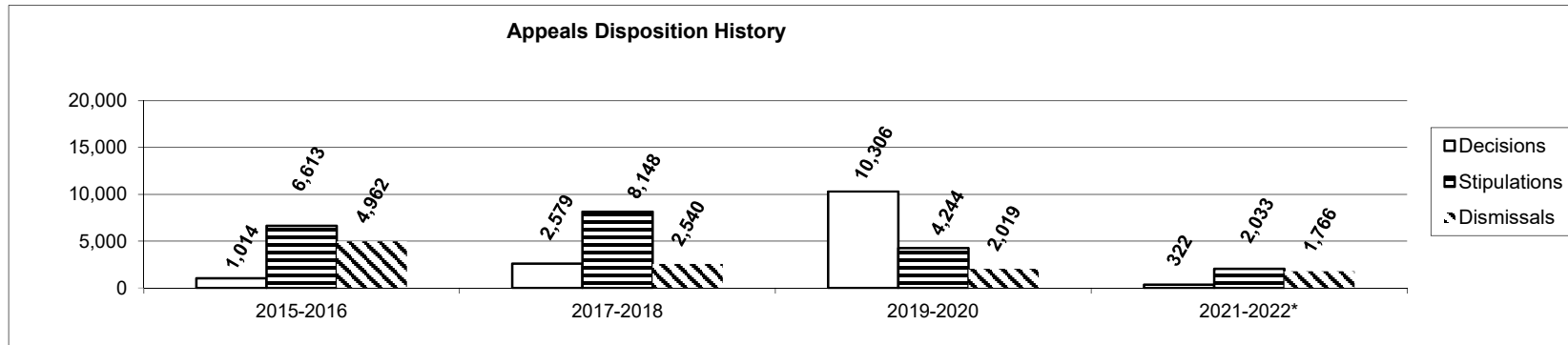
The Chief Counsel and the Hearing Officers are required to be licensed to practice law in the State of Missouri. Annually, 15 hours of continuing legal education, including 2 hours of ethics and 1 hour of cultural competency, diversity, inclusion, and implicit bias training is required. The Chief Counsel and the Hearing Officers also attend courses through The National Judicial College, the institution utilized by federal and state courts to train Article III judges and administrative law judges, and courses through the International Association of Assessing Officers (IAAO).

2c. Provide a measure(s) of the program's impact.

Appeals are disposed by decision, stipulation, or dismissal.

Types of Disposition

- Decision - Determination of assessment based on evidence from taxpayer and assessment official during an evidentiary hearing
- Stipulation - Agreement on assessment by the taxpayer and assessment official submitted for approval to this program
- Dismissal - Taxpayer abandoning their appeal



* The 2021-2022 cycle will not be completed until December 31, 2022.

2d. Provide a measure(s) of the program's efficiency.

The State Tax Commission strives to efficiently dispose of appeals for the taxpayers of the State of Missouri.

Assessment Cycle	2015-2016	2017-2018	2019-2020	2021-2022*
Appeals Disposed	12,589	13,267	16,569	4,121
Full-time Employees	4	4	5	5

PROGRAM DESCRIPTION

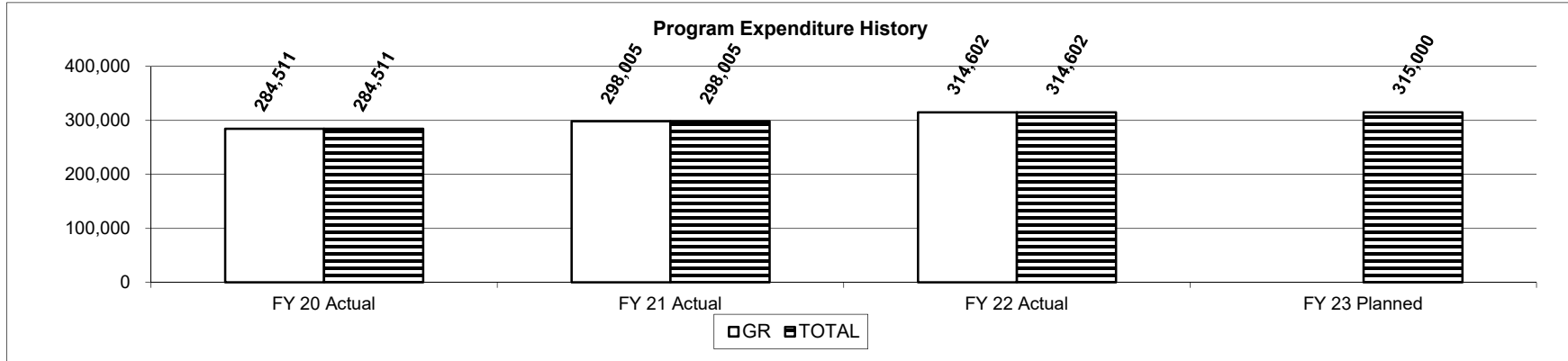
Department - Revenue/State Tax Commission

HB Section(s): 4.160

Program Name - Legal

Program is found in the following core budget(s): State Tax Commission

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Article X, Section 14, of the Missouri Constitution, Chapters 138, 151, and 153 of RSMo

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160

Program Name - Original Assessment

Program is found in the following core budget(s): State Tax Commission

1a. What strategic priority does this program address?

Transparent, uniform, and equitable statewide assessment program.

1b. What does this program do?

The Original Assessment program has the duty of assessing distributable property held by public utilities, railroads, private car companies, airlines, and related entities.

2a. Provide an activity measure(s) for the program.

The Original Assessment program is statutorily obligated to complete appraisals for any public utility and railroad company that files for state assessment. This program must have all company appraisals completed within 150 days.

	2018	2019	2020	2021	2022
Electric	9	10	10	10	10
Fluid Pipeline	20	20	20	20	20
Natural Gas Pipeline	12	12	13	13	13
Railroad	18	18	18	17	16
Telecommunications (Fiber)	33	35	39	39	41
Telecommunications (ILEC)	39	43	43	43	43
Telecommunications (Cable)	3	3	2	2	2
Aircraft Owned by Airlines	60	60	55	53	53
Aircraft Owned by Others	176	182	183	176	175
Private Cars	328	326	326	334	338
Rural Electric Cooperatives	52	52	52	52	52
Total Company Appraisals	750	761	761	759	763

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160

Program Name - Original Assessment

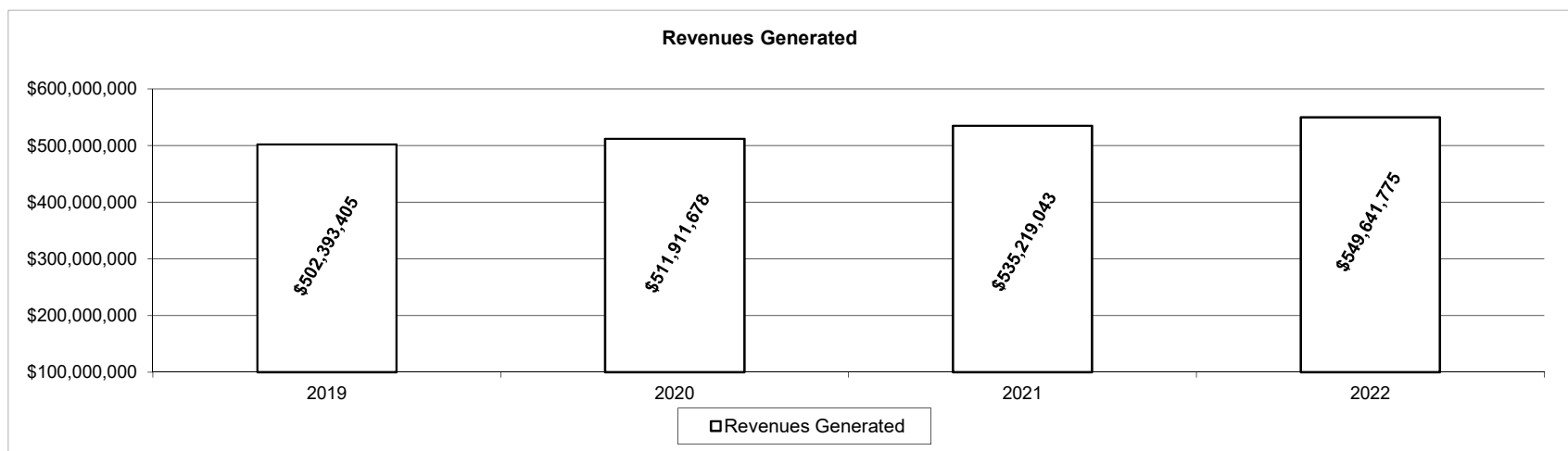
Program is found in the following core budget(s): State Tax Commission

2b. Provide a measure(s) of the program's quality.

- Appraisals have been standardized using the Unit Valuation Standards of the National Conference of Unit Valuation States (NCUVS). This program's policies and procedures supporting the standards used are maintained and audited for uniformity, ensuring compliance with state laws.
- The annual Cost of Capital Studies and Certifications are posted to the agency website. Additionally, company appraisal reports are provided to each company prior to the informal hearing process. This process allows for full transparency and fair practices for all taxpayers.
- Informal hearings are conducted for the exchange of information. Arriving at fair market value requires both parties having knowledge of relevant and material facts. This program's processes, including appeal procedures, result in equitable treatment of all taxpayers.

2c. Provide a measure(s) of the program's impact.

This program generates revenue for the local entities by appraising these companies to develop a company value, extracting the State of Missouri value to then be apportioned to each county for the collection of taxes for local entities. These entities (such as schools, ambulance, fire, and library districts) provide services to the citizens of Missouri.



PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160

Program Name - Original Assessment

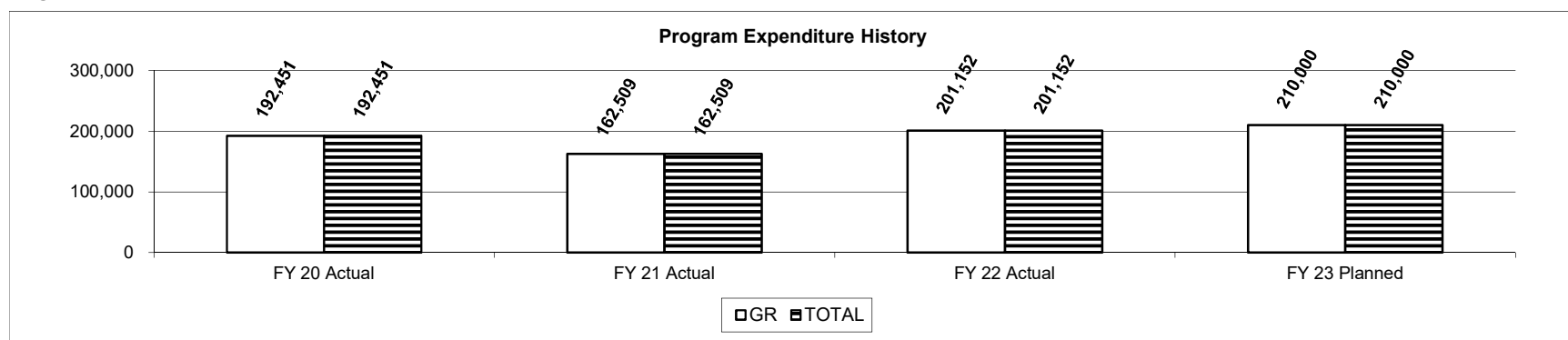
Program is found in the following core budget(s): State Tax Commission

2d. Provide a measure(s) of the program's efficiency.

This program employs two full-time employees and one part-time employee and generates in excess of \$470 million for local districts (ambulance, fire, library, and schools).

	2018	2019	2020	2021	2022
Number of Appraisals	750	761	761	759	763
Full-Time Employees	2.5	2.5	2.5	2.5	3
Caseload per Employee	300	304.4	304.4	303.6	254.33

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Article X, Section 14, Constitution of Missouri; Chapters 137, 138, 151, 153, and 155, RSMo

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160 and 4.165

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

1a. What strategic priority does this program address?

Transparent, uniform, and equitable statewide assessment program.

1b. What does this program do?

- Assist county assessors with technical aspects of operating a successful assessment program
- Assist county assessors with developing a two-year assessment plan that will conform to statutory parameters
- Conducts appraisals and studies to determine the level and quality of assessments established by each county assessor
- Reimburse up to 60% of all costs associated with implementing a two-year assessment plan (current appropriation allows for reimbursement of 50%)

2a. Provide an activity measure(s) for the program.

Studies performed each assessment cycle (an assessment cycle is from January 1st of an odd year through December 31st of an even year - example 2021-2022 assessment cycle is January 1, 2021 - December 31, 2022).

Assessment Cycle	2015-2016	2017-2018	2019-2020	2021-2022*
Commercial Appraisal Studies	51	51	38	23
Residential Appraisal Studies	3	0	0	0
Residential Sales Studies	112	115	114	89

* The 2021-2022 cycle is incomplete as studies are not finalized until May, 2023.

(For every residential appraisal study completed, there are 25 individual appraisals. In the 2019-2020 assessment cycle, all counties qualified for a residential sales study.)

(For every commercial appraisal study completed, there are 30 individual appraisals.)

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

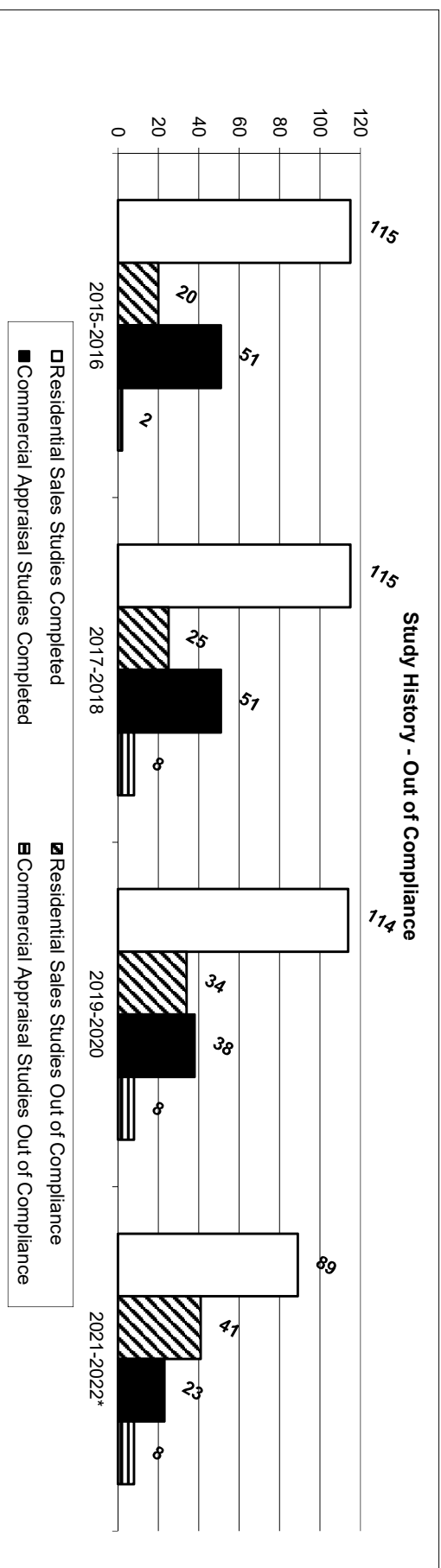
HB Section(s) : 4.160 and 4.165

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s) : State Tax Commission

2b. Provide a measure(s) of the program's quality.

The chart below depicts the out of compliance study analysis for each two-year assessment cycle (an assessment cycle is from January 1st of an odd year through December 31st of an even year - example 2021-2022 assessment cycle is January 1, 2021 - December 31, 2022).



* The 2021-2022 cycle is incomplete as appraisals and studies are not finalized until May, 2023.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

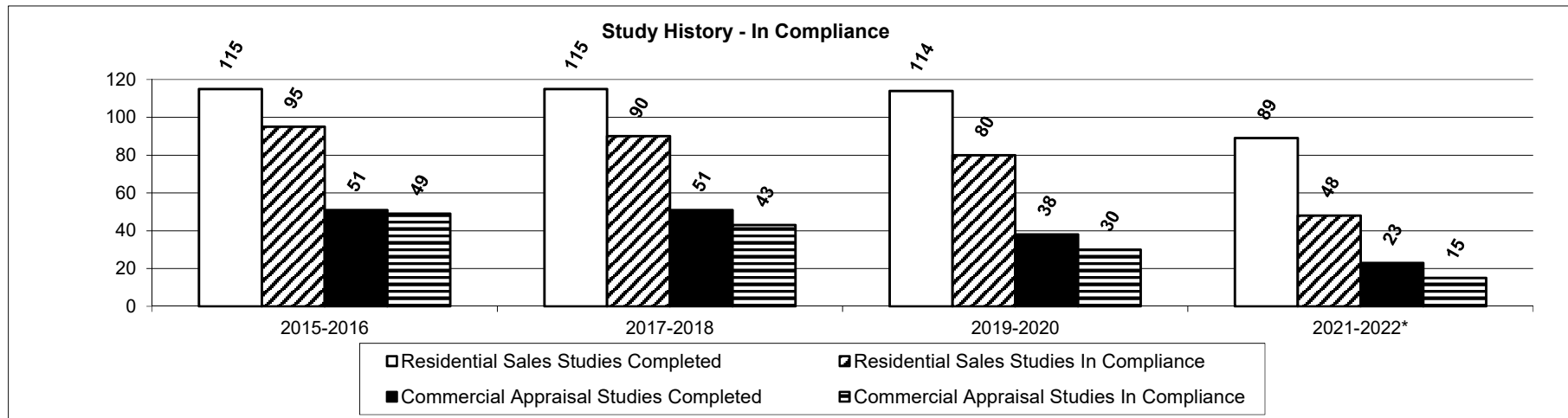
HB Section(s): 4.160 and 4.165

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

2c. Provide a measure(s) of the program's impact.

This program strives to ensure that all taxpayers in the State of Missouri are assessed utilizing fair and equitable practices. Without the assistance and audits of this program, taxpayers wouldn't be treated fairly and equitably across Missouri and these inequities could impact the local taxing entities (such as ambulance, fire, library, and school districts) that provide essential services to the citizens of Missouri.



*The 2021-2022 cycle is incomplete as the appraisals and studies are not finalized until May, 2023.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

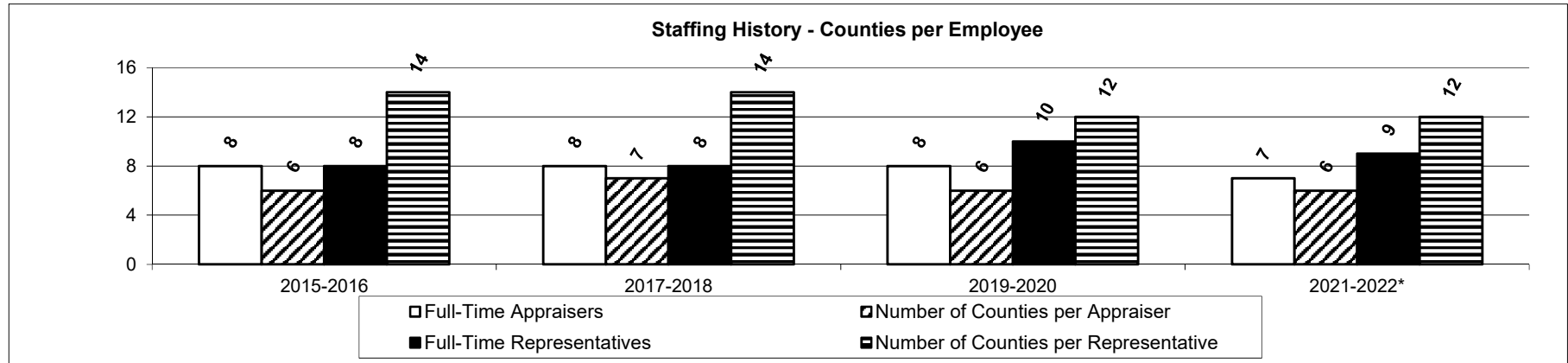
HB Section(s): 4.160 and 4.165

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

2d. Provide a measure(s) of the program's efficiency.

Each employee covers a territory within the State of Missouri to ensure all regions are assisted and studied.



* The 2021-2022 cycle is incomplete as studies are not finalized until May, 2023.

PROGRAM DESCRIPTION

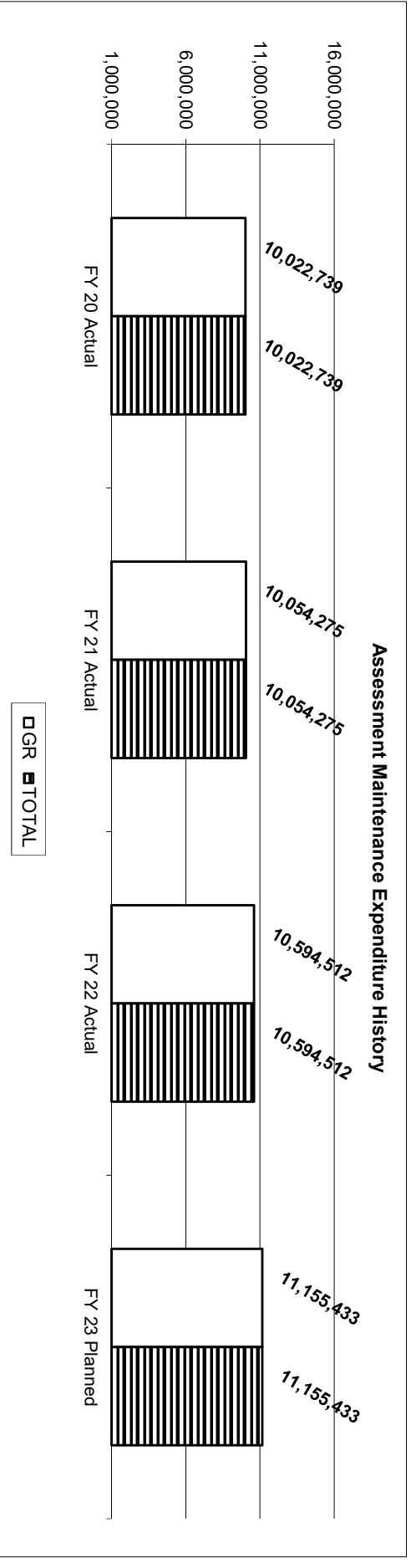
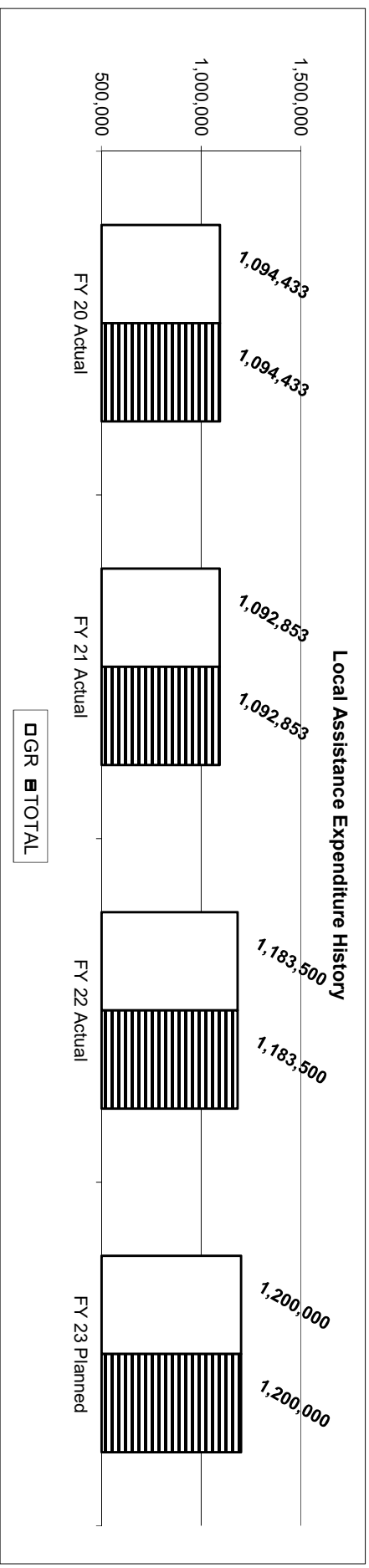
Department - Revenue/State Tax Commission

HB Section(s): 4.160 and 4.165

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.160 and 4.165

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section X, Article 14, Constitution of Missouri, Chapters 53, 137, and 138 RSMo

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

NEW DECISION ITEM
RANK: 3 OF 3

Department - Revenue					Budget Unit 86911C				
Division - State Tax Commission									
DI Name - Senior Hearing Officer 1 FTE					DI# 1860016				
					HB Section 4.160				
1. AMOUNT OF REQUEST									
FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	65,347	0	0	65,347	PS	0	0	0	0
EE	0	0	0	0	EE	0	0	0	0
PSD	0	0	0	0	PSD	0	0	0	0
TRF	0	0	0	0	TRF	0	0	0	0
Total	65,347	0	0	65,347	Total	0	0	0	0
FTE	1.00	0.00	0.00	1.00	FTE	0.00	0.00	0.00	0.00
Est. Fringe	39,425	0	0	39,425	Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				
Other Funds:					Other Funds:				
Non-Counts:					Non-Counts:				
2. THIS REQUEST CAN BE CATEGORIZED AS:									
<input type="checkbox"/> New Legislation <input type="checkbox"/> Federal Mandate <input type="checkbox"/> GR Pick-Up <input type="checkbox"/> Pay Plan					<input type="checkbox"/> New Program <input type="checkbox"/> Program Expansion <input type="checkbox"/> Space Request <input type="checkbox"/> Other:				
					<input checked="" type="checkbox"/> Fund Switch <input type="checkbox"/> Cost to Continue <input type="checkbox"/> Equipment Replacement				

NEW DECISION ITEM
RANK: 3 OF 3

Department - Revenue	Budget Unit 86911C
Division - State Tax Commission	
DI Name - Senior Hearing Officer 1 FTE DI# 1860016	HB Section 4.160

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This funding will provide for the continuation of the Commission's role in ensuring uniform and equitable assessments of taxable tangible property pursuant to Article X, Section 3 and 14 of the Missouri Constitution. The requested funding provides for 1 FTE, who will be designated as a Senior Hearing Officer within the Legal Section of the STC. Under Chapter 138 and Chapter 536 of the Revised Statutes of Missouri, the Senior Hearing Officer will serve as the equivalent of an administrative law judge and will be assigned thousands of contested cases per tax cycle. Over the last decade, the STC has received on average of more than 10,500 appeals every cycle with some cycles exceeding 15,000 appeals. In the 2021-2022 cycle, the STC has already received approximately 14,000 appeals, and the cycle does not end until December 31, 2022. County assessment officials determine the value and classification of property for property tax purposes for their respective counties. All Missouri taxpayers, which includes individuals and business entities, who disagree with the assessment determination have the right to appeal those determinations to the State Tax Commission. The State Tax Commission employs Senior Hearing Officers who conduct hearings to determine the proper assessment of a taxpayer's property. The Senior Hearing Officers render individualized written decisions that include findings of fact and conclusions of law; if a taxpayer disagrees with the decision, the taxpayer has the right to appeal that decision to the Commissioners. The Commissioners render a decision. If the taxpayer disagrees with the decision, the taxpayer can appeal through the Missouri Judicial Court system.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Since the inception of mandated statewide reassessment in 1979, the State Tax Commission has provided a fair and unbiased appeals process for taxpayers and county assessment officials. The derivation of funding requested is based on extensive experience the Commission possesses in providing this appeal process for over 30 years. The request for the 1 FTE would provide an increased staff level for this section from FY-2023 but still represents a decreased staff level for this section from the 1980s, 1990s, and early 2000s. Ad valorem taxation of property in Missouri accounts for approximately \$8 billion in annual revenue to support local services, such as public school districts, ambulance and fire protection districts, and libraries. This is a complicated, complex, and unique area within Missouri law enshrined in the Missouri Constitution and the Revised Statutes of Missouri. The provision of an additional FTE in FY-24 and beyond would assist the section in providing quicker, more efficient determinations of outcomes of appeals for taxpayers, assessors, and local taxing districts so that local tax dollars can be quickly and efficiently distributed and local services can continue uninterrupted. Because appeals are litigation before an administrative tribunal and involve the determination of facts and conclusions based upon the law applied to the facts, automation of the appeals process is limited and does not reduce the need for the additional 1 FTE to preside over and decide appeals.

NEW DECISION ITEM
RANK: 3 OF 3

Department - Revenue			Budget Unit <u>86911C</u>						
Division - State Tax Commission									
DI Name - Senior Hearing Officer 1 FTE		DI# <u>1860016</u>	HB Section		<u>4.160</u>				
5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
							0		
Total PS	65,347	1.0					65,347	1.0	
	<u>65,347</u>	<u>1.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>65,347</u>	<u>1.0</u>	<u>0</u>
Total EE	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Program Distributions							0		
Total PSD	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Transfers							0		
Total TRF	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Grand Total	<u>65,347</u>	<u>1.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>65,347</u>	<u>1.0</u>	<u>0</u>

NEW DECISION ITEM
RANK: 3 OF 3

Department - Revenue			Budget Unit <u>86911C</u>						
Division - State Tax Commission									
DI Name - Senior Hearing Officer 1 FTE		DI# 1860016	HB Section <u>4.160</u>						
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
							0		
							0	0.0	
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
							0		
Total EE	0		0		0		0		0
Program Distributions							0		
Total PSD	0		0		0		0		0
Transfers							0		
Total TRF	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

NEW DECISION ITEM
RANK: 3 OF 3

Department - Revenue	Budget Unit 86911C
Division - State Tax Commission	
DI Name - Senior Hearing Officer 1 FTE	DI# 1860016
	HB Section 4.160

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an activity measure(s) for the program.

Tens of thousands of appeals originating in 114 counties and the City of St Louis are filed with the STC each assessment cycle (an assessment cycle runs from January 1 of an odd year through December 31 of an even year - example 2021-2022 assessment cycle is January 1, 2021 - December 31, 2022). The number of appeals filed each assessment cycle has trended upward since about 2007. To date, approximately 14,000 appeals have been filed in the 2021-2022 assessment cycle. At a bare minimum, each appeal must be: reviewed to determine whether it meets jurisdictional requirements; entered into a digital case management system; maintained as a formal record of the agency using an electronic file; assigned to a Senior Hearing Officer; scheduled for a prehearing conference; monitored and ruled on as issues arise during discovery and pre-trial processes; scheduled and heard at an evidentiary hearing; decided through individualized written decisions that include findings of fact and conclusions of law analyzing the evidence; reported to the county assessors and collectors for accurate disbursement of tax dollars to local taxing entities, such as public school districts, ambulance and fire protection districts, and libraries; and potentially decided on Application for Review and reheard if the courts remand the appeal for rehearing or other proceedings. Senior Hearing Officers also answer general questions regarding the appeal process and ad valorem valuation from taxpayers, county assessors, and attorneys.

6b. Provide a measure(s) of the program's quality.

To effectively perform the duties of Senior Hearing Officer requires a minimum of the following: a four-year college degree; a juris doctorate degree earned from an ABA accredited law school; a license to practice law issued by the Missouri Supreme Court; completion of 15 Continuing Legal Education credit hours annually to remain a lawyer in good standing with the Missouri Bar; completion of fundamental appraisal courses provided by the International Association of Assessing Officials and passage of timed closed-book exam; advanced-level experience in the practice of law; knowledge of the interrelationship of State and local government; proficiency in legal research and adjudicatory writing; excellent oral communication skills; advanced understanding of ad valorem appeal process; ability to meet deadlines under pressure; ability to handle stressful situations with litigants.

NEW DECISION ITEM

RANK: 3 **OF** 3

Department - Revenue		Budget Unit <u>86911C</u>		
Division - State Tax Commission				
DI Name - Senior Hearing Officer 1 FTE	DI# 1860016	HB Section <u>4.160</u>		
<table style="width:100%; border: none;"> <tr> <td style="width:50%; vertical-align: top; padding: 5px;"> <p>6c. Provide a measure(s) of the program's impact.</p> <p>The State Tax Commission strives to ensure that the property owned by taxpayers in the State of Missouri is assessed fairly and equitably. Without enough Senior Hearing Officers to fulfill the STC's needs, the taxpayers' right to appeal the assessment of their property, which is a right guaranteed by the Missouri Constitution and the Revised Statutes of Missouri, is impeded. Additionally, if the Legal Section does not have highly-qualified and trained individuals in the position of Senior Hearing Officer, the efficient and appropriate disposition of appeals could be unreasonably delayed, thereby unreasonably delaying the distribution of protested tax dollars to local taxing entities, such as public school districts, ambulance and fire protection districts, and libraries.</p> </td> <td style="width:50%; vertical-align: top; padding: 5px;"> <p>6d. Provide a measure(s) of the program's efficiency.</p> <p>Each Senior Hearing Officer in the section is required to preside over several thousand appeals each assessment cycle, including appeals involving novel legal issues, complex properties, and public utilities. Each Senior Hearing Officer must be proficient in hearing appeals involving multiple issues and multiple property types, such as overvaluation, misclassification, exemption, or discrimination involving residential or commercial real property, agricultural land, or personal property. Each Senior Hearing Officer receives training and participates in ongoing continuing education to ensure all appeals are administered and decided in a fair, equitable, and efficient manner according to State law.</p> </td> </tr> </table>			<p>6c. Provide a measure(s) of the program's impact.</p> <p>The State Tax Commission strives to ensure that the property owned by taxpayers in the State of Missouri is assessed fairly and equitably. Without enough Senior Hearing Officers to fulfill the STC's needs, the taxpayers' right to appeal the assessment of their property, which is a right guaranteed by the Missouri Constitution and the Revised Statutes of Missouri, is impeded. Additionally, if the Legal Section does not have highly-qualified and trained individuals in the position of Senior Hearing Officer, the efficient and appropriate disposition of appeals could be unreasonably delayed, thereby unreasonably delaying the distribution of protested tax dollars to local taxing entities, such as public school districts, ambulance and fire protection districts, and libraries.</p>	<p>6d. Provide a measure(s) of the program's efficiency.</p> <p>Each Senior Hearing Officer in the section is required to preside over several thousand appeals each assessment cycle, including appeals involving novel legal issues, complex properties, and public utilities. Each Senior Hearing Officer must be proficient in hearing appeals involving multiple issues and multiple property types, such as overvaluation, misclassification, exemption, or discrimination involving residential or commercial real property, agricultural land, or personal property. Each Senior Hearing Officer receives training and participates in ongoing continuing education to ensure all appeals are administered and decided in a fair, equitable, and efficient manner according to State law.</p>
<p>6c. Provide a measure(s) of the program's impact.</p> <p>The State Tax Commission strives to ensure that the property owned by taxpayers in the State of Missouri is assessed fairly and equitably. Without enough Senior Hearing Officers to fulfill the STC's needs, the taxpayers' right to appeal the assessment of their property, which is a right guaranteed by the Missouri Constitution and the Revised Statutes of Missouri, is impeded. Additionally, if the Legal Section does not have highly-qualified and trained individuals in the position of Senior Hearing Officer, the efficient and appropriate disposition of appeals could be unreasonably delayed, thereby unreasonably delaying the distribution of protested tax dollars to local taxing entities, such as public school districts, ambulance and fire protection districts, and libraries.</p>	<p>6d. Provide a measure(s) of the program's efficiency.</p> <p>Each Senior Hearing Officer in the section is required to preside over several thousand appeals each assessment cycle, including appeals involving novel legal issues, complex properties, and public utilities. Each Senior Hearing Officer must be proficient in hearing appeals involving multiple issues and multiple property types, such as overvaluation, misclassification, exemption, or discrimination involving residential or commercial real property, agricultural land, or personal property. Each Senior Hearing Officer receives training and participates in ongoing continuing education to ensure all appeals are administered and decided in a fair, equitable, and efficient manner according to State law.</p>			
<p>7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:</p> <p>Have the ability to recruit and hire an additional Senior Hearing Officer, who has been educated, licensed, and trained and possesses the appropriate experience and skill set to successfully perform the assigned duties. Have the ability to ensure that the property owned by taxpayers in the State of Missouri is assessed fairly and equitably through the efficient and skilled administration of the appeals process. Have the ability to administer the appeals process even more quickly and efficiently with increased staffing level to address trending increases in the number of appeals.</p>				

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE TAX COMMISSION								
SENIOR HEARING OFFICER 1 FTE - 1860016								
SENIOR HEARINGS OFFICER	0	0.00	0	0.00	65,347	1.00	0	0.00
TOTAL - PS	0	0.00	0	0.00	65,347	1.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$65,347	1.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$65,347	1.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00

DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
ASSESSMENT MAINTENANCE									
CORE									
PROGRAM-SPECIFIC									
GENERAL REVENUE	10,594,512	0.00	11,155,433	0.00	11,155,433	0.00	11,155,433	0.00	
TOTAL - PD	10,594,512	0.00	11,155,433	0.00	11,155,433	0.00	11,155,433	0.00	
TOTAL	10,594,512	0.00	11,155,433	0.00	11,155,433	0.00	11,155,433	0.00	
Assessment Maintenance - 1860015									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	571,600	0.00	61,730	0.00	
TOTAL - PD	0	0.00	0	0.00	571,600	0.00	61,730	0.00	
TOTAL	0	0.00	0	0.00	571,600	0.00	61,730	0.00	
GRAND TOTAL	\$10,594,512	0.00	\$11,155,433	0.00	\$11,727,033	0.00	\$11,217,163	0.00	

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im_disummary

CORE DECISION ITEM

Department - Revenue	Budget Unit 87016C
Division - State Tax Commission	
Core - Assessment Maintenance	HB Section 4.165

1. CORE FINANCIAL SUMMARY

FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	0	0	0	0	PS	0	0	0	0
EE	0	0	0	0	EE	0	0	0	0
PSD	11,155,433	0	0	11,155,433	PSD	11,155,433	0	0	11,155,433
TRF	0	0	0	0	TRF	0	0	0	0
Total	11,155,433	0	0	11,155,433	Total	11,155,433	0	0	11,155,433
FTE	0.00	0.00	0.00	0.00	FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

Other Funds:

2. CORE DESCRIPTION

Section 137.750, RSMo., states the State of Missouri may provide local assessment jurisdictions with up to 60% of all costs associated with implementing a two-year reassessment plan. The current assessment maintenance appropriation reimburses at 50% of all costs associated with implementing a two-year reassessment plan. This core request in the amount of \$11,155,433 will provide reimbursements to counties at \$3.30 per parcel based upon the 2021 parcel count of 3,380,434.

The median cost per parcel required to implement the statewide assessment program stands at \$19.46. The core request provides funding to pay for 12% of the actual cost required to assess property in the State of Missouri with the balance of 88% being borne by local government and public school districts. Property tax revenues in 2021 were approximately \$8.96 billion, of which roughly \$6.7 billion provides funding to local public schools.

3. PROGRAM LISTING (list programs included in this core funding)

Assessment Maintenance

CORE DECISION ITEM

Department - Revenue	Budget Unit <u>87016C</u>
Division - State Tax Commission	
Core - Assessment Maintenance	HB Section <u>4.165</u>

4. FINANCIAL HISTORY

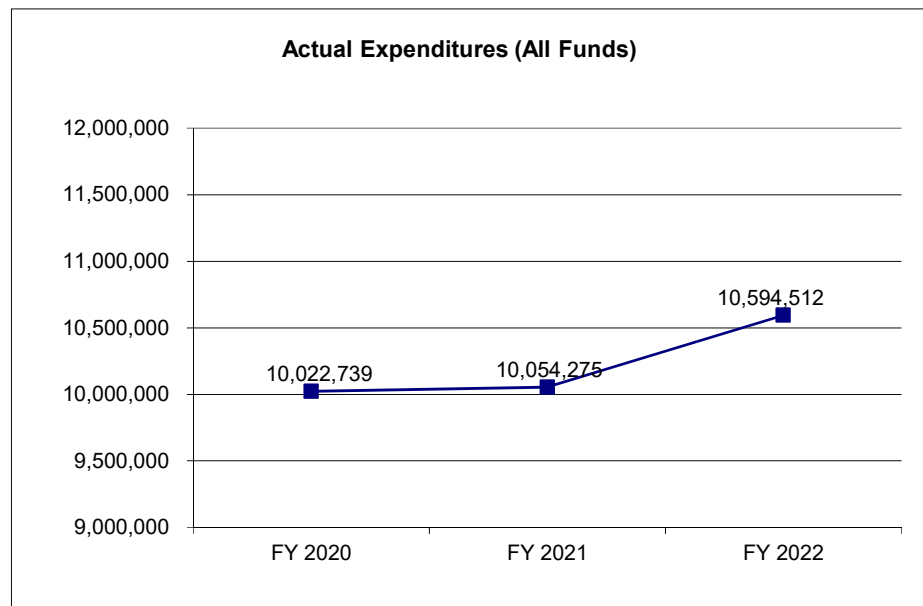
	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Current Yr.
Appropriation (All Funds)	10,022,739	10,054,275	10,595,322	11,155,433
Less Reverted (All Funds)	0	0	0	0
Less Restricted (All Funds)*	0	0	0	0
Budget Authority (All Funds)	10,022,739	10,054,275	10,595,322	11,155,433
Actual Expenditures (All Funds)	10,022,739	10,054,275	10,594,512	N/A
Unexpended (All Funds)	0	0	810	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A

*Current Year restricted amount is as of _____.

Reverted includes the statutory three percent reserve amount (when applicable).

Restricted includes any Governor's expenditure restrictions which remained at the end of the fiscal year (when applicable).

NOTES:



DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
ASSESSMENT MAINTENANCE								
CORE								
PROGRAM DISTRIBUTIONS	10,594,512	0.00	11,155,433	0.00	11,155,433	0.00	11,155,433	0.00
TOTAL - PD	10,594,512	0.00	11,155,433	0.00	11,155,433	0.00	11,155,433	0.00
GRAND TOTAL	\$10,594,512	0.00	\$11,155,433	0.00	\$11,155,433	0.00	\$11,155,433	0.00
GENERAL REVENUE	\$10,594,512	0.00	\$11,155,433	0.00	\$11,155,433	0.00	\$11,155,433	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

NEW DECISION ITEM
RANK: 1 OF 3

Department - Revenue	Budget Unit 87016C
Division - State Tax Commission	
DI Name - Asmnt Mnt \$3.45/parcel 2022 Ct	DI# 1860015
	HB Section 4.165

1. AMOUNT OF REQUEST

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	571,600	0	0	571,600
TRF	0	0	0	0
Total	571,600	0	0	571,600

FTE 0.00 0.00 0.00 0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

Non-Counts:

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	61,730	0	0	61,730
TRF	0	0	0	0
Total	61,730	0	0	61,730

FTE 0.00 0.00 0.00 0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

Non-Counts:

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

Section 137.750, RSMo, states the State of Missouri may provide local assessment jurisdiction with up to 60% of all costs associated with implementing a two-year assessment plan not to exceed \$7.00 per parcel. The State currently reimburses one-half of these assessment costs. County assessment program costs range from \$11.44 to \$37.88 per parcel, with a median cost per parcel of \$20.40, and costs continue to increase. This request in the amount of \$571,600, and the core request of \$11,155,433, will provide funding at \$3.45 per parcel utilizing the 2022 parcel count of 3,399,140 for FY-2024. The increase in parcel count from 2021 to 2022 is 18,706 parcels. Governor's Recommendations provides funding for the increase in parcel count at the \$3.30 per parcel rate.

NEW DECISION ITEM
RANK: 1 OF 3

Department - Revenue		Budget Unit	87016C
Division - State Tax Commission			
DI Name - Asmnt Mnt \$3.45/parcel 2022 Ct	DI# 1860015	HB Section	4.165

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

3,399,140 parcels x \$3.45 per parcel = \$11,727,033, less core request of \$11,155,433 = \$571,600.
Governor's Recommendation provides the increase in parcel count of 18,706 X \$3.30 per parcel = \$61,730

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
							0		
							0	0.0	
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
							0		
Total EE	0		0		0		0		0
Program Distributions	571,600						571,600		
Total PSD	571,600		0		0		571,600		0
Transfers									
Total TRF	0		0		0		0		0
Grand Total	571,600	0.0	0	0.0	0	0.0	571,600	0.0	0

NEW DECISION ITEM
RANK: 1 OF 3

Department - Revenue			Budget Unit <u>87016C</u>						
Division - State Tax Commission									
DI Name - Asmnt Mnt \$3.45/parcel 2022 Ct		DI# 1860015	HB Section		<u>4.165</u>				

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
							0		
							0	0.0	
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	61,730		0		0		61,730		
Total PSD	61,730		0		0		61,730		0
Transfers									
Total TRF	0		0		0		0		0
Grand Total	61,730	0.0	0	0.0	0	0.0	61,730	0.0	0

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

<p>6a. Provide an activity measure(s) for the program.</p> <p>6c. Provide a measure(s) of the program's impact.</p>	<p>6b. Provide a measure(s) of the program's quality.</p> <p>6d. Provide a measure(s) of the program's efficiency.</p>
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7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
ASSESSMENT MAINTENANCE								
Assessment Maintenance - 1860015								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	571,600	0.00	61,730	0.00
TOTAL - PD	0	0.00	0	0.00	571,600	0.00	61,730	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$571,600	0.00	\$61,730	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$571,600	0.00	\$61,730	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

Overview

Missouri State Lottery

The Missouri Lottery is a revenue source for Missouri public education.

The Lottery's mission is to help fund educational opportunities for Missouri students, support Missouri businesses, and entertain millions.

The core functions of the Lottery are to:

- Recruit and license Lottery retailers
- Create, market, and distribute Lottery products
- Collect revenues from Lottery retailers
- Pay Lottery prizes and retailer commissions
- Ensure the security and integrity of Lottery operations and games, and
- Transfer profits to the Lottery Proceeds Fund

FY 22 ticket sales exceeded \$1 billion for the twelfth year in a row and were highest in Lottery history. The amount of profit transferred to the Lottery Proceeds Fund for education was the highest on record at \$400 million.

Over the past 37 years, the Lottery has sold \$29.1 billion in product and transferred profits of \$7.4 billion to the state and public education.

The Missouri Lottery is diligent in being responsible stewards of the Lottery's money. During our 37-year history, the Lottery's operating percentage (administrative costs plus ticket costs as a percentage of sales) has decreased from 14 percent to 3 percent – one of the lowest in the country. The Lottery continues to build on its past history of developing and implementing cost-saving initiatives that will ensure the Lottery continues to improve the level of productivity and efficiency into the future. In addition, the Lottery is committed to responsible gaming practices and the integrity of all our games and products.

Department strategic overview: FY24 Budget

DEPARTMENT:	<i>Missouri Lottery</i>
DIRECTOR:	<i>Lester Elder</i>
DEPARTMENT ASPIRATION:	We will be an innovative leader in the Lottery industry and a trusted and valued partner for public education.
HIGHLIGHTS FROM FY22	<ul style="list-style-type: none"> •We transferred \$400 million to education in FY 22, the highest in Lottery history. •Lottery sales were \$1.8 billion in FY 22, tied with FY 21 as the highest in Lottery history. •Lottery administrative expenses were 3.40% of sales in FY 21, compared to the FY 21 U.S. Lottery industry average of 6.02%. •The Lottery received an "Excellent" state audit rating in December 2020 for the audit of the two years ended June 30, 2020. In addition, we have received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Annual Financial Report for each of the last 22 years. •We have achieved Level 4 certification through the World Lottery Association's responsible gaming framework, the highest certification status. Only 8 US lotteries have achieved Level 4 status.
FY23 PRIORITIES	<ul style="list-style-type: none"> •Explore optimization of our portfolio through product changes, new innovations, new partnerships and new player touchpoints. •Continued expansion of succession plan to mitigate business interruption and develop and retain high-potential employees; continued emphasize on reducing employee turnover; continue implementing employee development plans to improve employee satisfaction; continue providing employees with career guidance and encouragement through formal mentor partnerships. •Continued development and implementation of new and alternative sales and payment channels at retail.
FY24 PREVIEW	<ul style="list-style-type: none"> •Increase Lottery profit dollars transferred to education by a minimum of 1 percent annually over a five-year benchmark.

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER: 87212C BUDGET UNIT NAME: MISSOURI LOTTERY COMMISSION HOUSE BILL SECTION: 4.175	DEPARTMENT: REVENUE DIVISION: MISSOURI LOTTERY COMMISSION
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1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.

DEPARTMENT REQUEST

Fund - 0657 Lottery Enterprise Fund:
 Personal Services - \$807,607- 10% Expense and Equipment - \$696,380 - 10% Vendor Costs - \$2,937,148 - 10% Pull-Tab Costs - \$919,439 - 10%

2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	Potential use estimated at \$250,000 to \$1,000,000	Potential use estimated at \$250,000 to \$1,000,000

3. Please explain how flexibility was used in the prior and/or current years.

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	Flexibility is necessary due to the removal of the estimated "E" appropriation on Expense and Equipment in FY 2014, the breakout of Vendor Costs as a separate appropriation in FY 2015, and the breakout of Pull-Tab Costs as a separate appropriation in FY 2017. Possible needs for flexibility will continue to be monitored during the year in relation to sales, market conditions, business models and operational needs.

NEW DECISION ITEM
RANK: 2 OF 4

Department of Missouri Lottery	Budget Unit <u>Various</u>
Department-wide	
Pay Plan - FY 2024 Cost to Continue	HB Section <u>Various</u>
DI# 0000012	

1. AMOUNT OF REQUEST

FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	0	0	0	0	PS	0	0	702,614	702,614
EE	0	0	0	0	EE	0	0	0	0
PSD	0	0	0	0	PSD	0	0	0	0
TRF	0	0	0	0	TRF	0	0	0	0
Total	0	0	0	0	Total	0	0	702,614	702,614
FTE	0.00	0.00	0.00	0.00	FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	256,314	256,314
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.					Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Various

Other Funds: Various

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input checked="" type="checkbox"/> Pay Plan	<input type="checkbox"/> Other: _____	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

The FY 2024 budget includes appropriation authority for the statewide pay increase for employees, including three components:

- 8.7% pay increase for employees;
- Updated shift differentials for staff working in 24/7 congregate care facilities to \$2 per hour for evening and overnight shifts; and,
- A market-based pay increase for non-commission based executive agency directors (based on the 2019 State of Missouri Compensation & Benefits Study commissioned by CBIZ, aged by 10.7% to July 2022, based on private and public sector data for neighboring states only; or a 4.33% COLA for directors already making the CBIZ rate, based on the lowest percent increase given to directors currently being paid under the CBIZ rate).

NEW DECISION ITEM
RANK: 2 OF 4

Department of Missouri Lottery	Budget Unit	<u>Various</u>
Department-wide		
Pay Plan - FY 2024 Cost to Continue	DI# 0000012	HB Section <u>Various</u>

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The appropriated amount for the Fiscal Year 2024 pay plan was based on an 8.7% pay increase for employees, updating shift differentials for staff working in 24/7 congregate care facilities to \$2 per hour for evening and overnight shifts, and adjustments to department director salaries based on the 2019 State of Missouri Compensation & Benefits Study commissioned by CBIZ.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
100-Salaries and Wages							0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
100-Salaries and Wages	0				702,614		702,614	0.0	
Total PS	0	0.0	0	0.0	702,614	0.0	702,614	0.0	0
Grand Total	0	0.0	0	0.0	702,614	0.0	702,614	0.0	0

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
Pay Plan - 0000012								
DIVISION DIRECTOR	0	0.00	0	0.00	0	0.00	26,575	0.00
DESIGNATED PRINCIPAL ASST DIV	0	0.00	0	0.00	0	0.00	21,292	0.00
MISCELLANEOUS TECHNICAL	0	0.00	0	0.00	0	0.00	2,520	0.00
MISCELLANEOUS PROFESSIONAL	0	0.00	0	0.00	0	0.00	8,039	0.00
SPECIAL ASST PARAPROFESSIONAL	0	0.00	0	0.00	0	0.00	4,961	0.00
PRINCIPAL ASST BOARD/COMMISSON	0	0.00	0	0.00	0	0.00	11,946	0.00
ADMIN SUPPORT ASSISTANT	0	0.00	0	0.00	0	0.00	17,069	0.00
LEAD ADMIN SUPPORT ASSISTANT	0	0.00	0	0.00	0	0.00	14,695	0.00
ADMIN SUPPORT PROFESSIONAL	0	0.00	0	0.00	0	0.00	29,584	0.00
RESEARCH/DATA ANALYST	0	0.00	0	0.00	0	0.00	18,836	0.00
RESEARCH DATA ANALYSIS SPV/MGR	0	0.00	0	0.00	0	0.00	6,092	0.00
STORES/WAREHOUSE ASSOCIATE	0	0.00	0	0.00	0	0.00	8,991	0.00
SENIOR MULTIMEDIA SPECIALIST	0	0.00	0	0.00	0	0.00	4,484	0.00
PUBLIC RELATIONS COORDINATOR	0	0.00	0	0.00	0	0.00	17,226	0.00
SENIOR ACCOUNTS ASSISTANT	0	0.00	0	0.00	0	0.00	13,150	0.00
INTERMEDIATE ACCOUNTANT	0	0.00	0	0.00	0	0.00	8,453	0.00
ACCOUNTANT SUPERVISOR	0	0.00	0	0.00	0	0.00	11,701	0.00
ACCOUNTANT MANAGER	0	0.00	0	0.00	0	0.00	9,072	0.00
AUDITOR	0	0.00	0	0.00	0	0.00	4,683	0.00
HUMAN RESOURCES MANAGER	0	0.00	0	0.00	0	0.00	6,310	0.00
ASSOC APPLICATIONS DEVELOPER	0	0.00	0	0.00	0	0.00	9,148	0.00
APPLICATIONS DEVELOPER	0	0.00	0	0.00	0	0.00	10,374	0.00
SENIOR APPLICATIONS DEVELOPER	0	0.00	0	0.00	0	0.00	5,373	0.00
APPLICATIONS DEVELOPMENT SPEC	0	0.00	0	0.00	0	0.00	7,382	0.00
DIR STRATEGY & PLANNING LVL 2	0	0.00	0	0.00	0	0.00	8,072	0.00
SENIOR BUSINESS ANALYST	0	0.00	0	0.00	0	0.00	5,507	0.00
NETWORK INFRASTRUCTURE TECH	0	0.00	0	0.00	0	0.00	3,195	0.00
NETWORK INFRASTRUCTURE ARCHTCT	0	0.00	0	0.00	0	0.00	5,795	0.00
NETWORK INFRASTRUCTURE SPV	0	0.00	0	0.00	0	0.00	6,344	0.00
QUALITY CONTROL SPECIALIST	0	0.00	0	0.00	0	0.00	9,625	0.00
SYSTEMS ADMINISTRATION TECH	0	0.00	0	0.00	0	0.00	3,514	0.00
SR SYSTEMS ADMINISTRATION SPEC	0	0.00	0	0.00	0	0.00	6,100	0.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
Pay Plan - 0000012								
CYBERSECURITY ANALYST	0	0.00	0	0.00	0	0.00	4,804	0.00
CLIENT SUPPORT TECH-TIER 2	0	0.00	0	0.00	0	0.00	15,130	0.00
LOTTERY SECURITY SPECIALIST	0	0.00	0	0.00	0	0.00	15,960	0.00
LOTTERY SECURITY MANAGER	0	0.00	0	0.00	0	0.00	6,700	0.00
LOTTERY MKTNG & PROMOTIONS MGR	0	0.00	0	0.00	0	0.00	26,401	0.00
LOTTERY CUSTOMER SERVICE SPEC	0	0.00	0	0.00	0	0.00	22,888	0.00
LOTTERY INSIDE SALES SPEC	0	0.00	0	0.00	0	0.00	24,894	0.00
LOTTERY INSIDE SALES TEAM MGR	0	0.00	0	0.00	0	0.00	7,536	0.00
LOTTERY FIELD REPRESENTATIVE	0	0.00	0	0.00	0	0.00	167,047	0.00
LOTTERY DSTRCT/CORP SALES MGR	0	0.00	0	0.00	0	0.00	39,538	0.00
LOTTERY SALES MANAGER	0	0.00	0	0.00	0	0.00	40,832	0.00
MAINTENANCE/GROUNDS SUPERVISOR	0	0.00	0	0.00	0	0.00	4,776	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	702,614	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$702,614	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$702,614	0.00

DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
LOTTERY COMMISSION - OPERATIN									
CORE									
PERSONAL SERVICES									
LOTTERY ENTERPRISE	7,436,210	153.69	8,076,065	153.50	8,076,065	153.50	8,076,065	153.50	
TOTAL - PS	7,436,210	153.69	8,076,065	153.50	8,076,065	153.50	8,076,065	153.50	
EXPENSE & EQUIPMENT									
LOTTERY ENTERPRISE	49,263,205	0.00	46,320,216	0.00	46,320,216	0.00	46,320,216	0.00	
TOTAL - EE	49,263,205	0.00	46,320,216	0.00	46,320,216	0.00	46,320,216	0.00	
PROGRAM-SPECIFIC									
LOTTERY ENTERPRISE	43,664	0.00	9,450	0.00	9,450	0.00	9,450	0.00	
TOTAL - PD	43,664	0.00	9,450	0.00	9,450	0.00	9,450	0.00	
TOTAL	56,743,079	153.69	54,405,731	153.50	54,405,731	153.50	54,405,731	153.50	
Vendor Pmt Cost to Continue - 1860090									
EXPENSE & EQUIPMENT									
LOTTERY ENTERPRISE	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00	
TOTAL - EE	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00	
TOTAL	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00	
Lottery Advertising Increase - 1860091									
EXPENSE & EQUIPMENT									
LOTTERY ENTERPRISE	0	0.00	0	0.00	7,600,000	0.00	0	0.00	
TOTAL - EE	0	0.00	0	0.00	7,600,000	0.00	0	0.00	
TOTAL	0	0.00	0	0.00	7,600,000	0.00	0	0.00	
Lottery Sponsorships Increase - 1860092									
EXPENSE & EQUIPMENT									
LOTTERY ENTERPRISE	0	0.00	0	0.00	1,884,993	0.00	0	0.00	
TOTAL - EE	0	0.00	0	0.00	1,884,993	0.00	0	0.00	
TOTAL	0	0.00	0	0.00	1,884,993	0.00	0	0.00	

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DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
Pay Plan - 0000012								
PERSONAL SERVICES								
LOTTERY ENTERPRISE	0	0.00	0	0.00	0	0.00	702,614	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	702,614	0.00
TOTAL	0	0.00	0	0.00	0	0.00	702,614	0.00
GRAND TOTAL	\$56,743,079	153.69	\$54,405,731	153.50	\$69,197,316	153.50	\$60,414,937	153.50

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CORE DECISION ITEM

Department	REVENUE	Budget Unit	87212C
Division	MISSOURI LOTTERY COMMISSION		
Core -	OPERATING	HB Section	4.175

1. CORE FINANCIAL SUMMARY

FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	0	0	8,076,065	8,076,065	PS	0	0	8,076,065	8,076,065
EE	0	0	46,320,216	46,320,216	EE	0	0	46,320,216	46,320,216
PSD	0	0	9,450	9,450	PSD	0	0	9,450	9,450
TRF	0	0	0	0	TRF	0	0	0	0
Total	0	0	54,405,731	54,405,731	Total	0	0	54,405,731	54,405,731
FTE	0.00	0.00	153.50	153.50	FTE	0.00	0.00	153.50	153.50

Est. Fringe	0	0	5,338,600	5,338,600
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Lottery Enterprise Fund (0657)

Est. Fringe	0	0	5,338,600	5,338,600
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Lottery Enterprise Fund (0657)

2. CORE DESCRIPTION

The Missouri Lottery requests continued core funding for personal services, expense and equipment, vendor payments, advertising, and responsible gaming messaging to continue to fulfill the mission of helping fund educational opportunities for Missouri students, supporting Missouri businesss and entertaining millions.

3. PROGRAM LISTING (list programs included in this core funding)

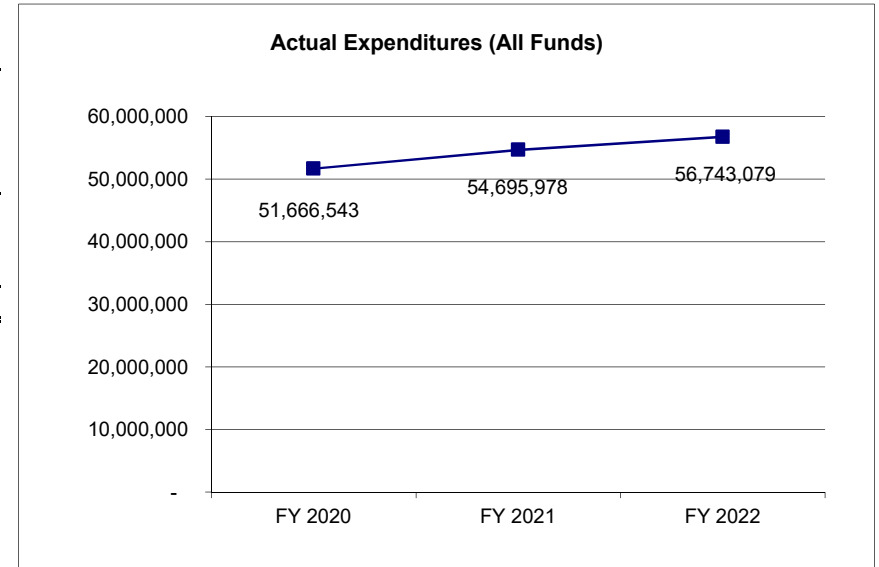
Direct and related costs to produce, manage and market approved Lottery games and tickets during the fiscal year.

CORE DECISION ITEM

Department	REVENUE	Budget Unit	87212C
Division	MISSOURI LOTTERY COMMISSION		
Core -	OPERATING	HB Section	4.175

4. FINANCIAL HISTORY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Current Yr.
Appropriation (All Funds)	59,859,377	59,501,090	60,836,645	54,405,731
Less Reverted (All Funds)	0	0	0	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	59,859,377	59,501,090	60,836,645	N/A
Actual Expenditures (All Funds)	51,666,543	54,695,978	56,743,079	N/A
Unexpended (All Funds)	8,192,834	4,805,112	4,093,566	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	8,192,834	4,805,112	4,093,566	N/A



Reverted includes the statutory three-percent reserve amount (when applicable).

Restricted includes any Governor's Expenditure Restrictions which remained at the end of the fiscal year (when applicable).

NOTES:

Supplemental budget requests were approved in the amount of \$3,000,000 in FY 21 and \$5,359,864 in FY 22 for sales-related vendor costs due to removal of estimated "E" appropriation and separate appropriation for advertising in FY 2014, subsequent breakout of vendor costs as a separate appropriation in FY 2015, and breakout of Pull-Tab vendor costs as an additional appropriation in FY 17, with no flexibility between appropriations. Advertising appropriation was reduced from \$5 million in FY 20 to \$1.5 million in FY 21 to \$400,000 in FY 22.

CORE RECONCILIATION DETAIL

STATE
LOTTERY COMMISSION - OPERATING

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PS	153.50	0	0	8,076,065	8,076,065	
	EE	0.00	0	0	46,320,216	46,320,216	
	PD	0.00	0	0	9,450	9,450	
	Total	153.50	0	0	54,405,731	54,405,731	
DEPARTMENT CORE REQUEST							
	PS	153.50	0	0	8,076,065	8,076,065	
	EE	0.00	0	0	46,320,216	46,320,216	
	PD	0.00	0	0	9,450	9,450	
	Total	153.50	0	0	54,405,731	54,405,731	
GOVERNOR'S RECOMMENDED CORE							
	PS	153.50	0	0	8,076,065	8,076,065	
	EE	0.00	0	0	46,320,216	46,320,216	
	PD	0.00	0	0	9,450	9,450	
	Total	153.50	0	0	54,405,731	54,405,731	

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATING								
CORE								
DIVISION DIRECTOR	198,417	2.04	204,459	2.00	305,459	3.00	305,459	3.00
DESIGNATED PRINCIPAL ASST DIV	226,176	3.00	244,739	3.00	244,739	3.00	244,739	3.00
MISCELLANEOUS TECHNICAL	23,754	0.42	28,964	0.00	28,964	0.50	28,964	0.50
MISCELLANEOUS PROFESSIONAL	92,129	1.44	76,400	0.00	92,400	0.50	92,400	0.50
SPECIAL ASST OFFICIAL & ADMSTR	48,009	0.50	0	0.00	0	0.00	0	0.00
SPECIAL ASST PARAPROFESSIONAL	52,392	1.00	57,022	1.00	57,022	1.00	57,022	1.00
PRINCIPAL ASST BOARD/COMMISSION	130,852	1.00	137,310	1.00	137,310	1.00	137,310	1.00
ADMIN SUPPORT ASSISTANT	173,595	6.13	196,200	6.00	196,200	6.00	196,200	6.00
LEAD ADMIN SUPPORT ASSISTANT	150,347	4.08	168,905	4.00	168,905	3.00	168,905	3.00
ADMIN SUPPORT PROFESSIONAL	315,734	7.81	340,048	8.00	340,048	8.00	340,048	8.00
RESEARCH/DATA ANALYST	212,762	4.11	216,511	4.00	216,511	4.00	216,511	4.00
RESEARCH DATA ANALYSIS SPV/MGR	68,852	1.00	70,028	1.00	70,028	1.00	70,028	1.00
STORES/WAREHOUSE ASSOCIATE	95,664	3.00	103,346	3.00	103,346	3.00	103,346	3.00
SENIOR MULTIMEDIA SPECIALIST	50,170	1.02	51,545	1.00	51,545	1.00	51,545	1.00
PUBLIC RELATIONS COORDINATOR	186,346	3.98	198,002	4.00	198,002	4.00	198,002	4.00
SENIOR ACCOUNTS ASSISTANT	146,514	4.03	151,153	4.00	151,153	4.00	151,153	4.00
INTERMEDIATE ACCOUNTANT	87,148	1.90	97,161	2.00	97,161	2.00	97,161	2.00
ACCOUNTANT SUPERVISOR	129,963	2.00	134,498	2.00	134,498	2.00	134,498	2.00
ACCOUNTANT MANAGER	99,309	1.00	104,274	1.00	104,274	1.00	104,274	1.00
AUDITOR	51,302	1.00	53,831	1.00	53,831	1.00	53,831	1.00
HUMAN RESOURCES MANAGER	69,073	1.00	72,529	1.00	72,529	1.00	72,529	1.00
ASSOC APPLICATIONS DEVELOPER	100,864	2.01	105,149	2.00	105,149	2.00	105,149	2.00
APPLICATIONS DEVELOPER	112,095	2.02	119,243	2.00	119,243	2.00	119,243	2.00
SENIOR APPLICATIONS DEVELOPER	40,311	0.65	61,760	1.00	61,760	1.00	61,760	1.00
APPLICATIONS DEVELOPMENT SPEC	80,859	1.00	84,852	1.00	84,852	1.00	84,852	1.00
DIR STRATEGY & PLANNING LVL 2	88,182	1.00	92,779	1.00	92,779	1.00	92,779	1.00
SENIOR BUSINESS ANALYST	61,532	1.00	63,300	1.00	63,300	1.00	63,300	1.00
NETWORK INFRASTRUCTURE TECH	38,355	1.00	36,722	1.00	36,722	1.00	36,722	1.00
NETWORK INFRASTRUCTURE SPEC	0	0.00	659	0.00	0	0.00	0	0.00
NETWORK INFRASTRUCTURE ARCHTCT	65,490	1.00	66,605	1.00	66,605	1.00	66,605	1.00
NETWORK INFRASTRUCTURE SPV	72,156	1.00	72,917	1.00	72,917	1.00	72,917	1.00
QUALITY CONTROL SPECIALIST	111,171	2.08	110,628	2.00	110,628	2.00	110,628	2.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
CORE								
SYSTEMS ADMINISTRATION TECH	39,640	1.00	40,395	1.00	40,395	1.00	40,395	1.00
SR SYSTEMS ADMINISTRATION SPEC	67,547	1.00	70,113	1.00	70,113	1.00	70,113	1.00
CYBERSECURITY ANALYST	36,417	0.70	55,216	1.00	55,216	1.00	55,216	1.00
CLIENT SUPPORT TECH-TIER 1	0	0.00	73,713	2.00	0	0.00	0	0.00
CLIENT SUPPORT TECH-TIER 2	165,987	4.03	99,539	2.00	173,911	4.00	173,911	4.00
LOTTERY SECURITY SPECIALIST	157,862	3.00	183,454	3.00	183,454	3.00	183,454	3.00
LOTTERY SECURITY MANAGER	74,182	1.00	77,015	1.00	77,015	1.00	77,015	1.00
LOTTERY MKTNG & PROMOTIONS MGR	292,628	5.04	303,460	5.00	303,460	5.00	303,460	5.00
LOTTERY CUSTOMER SERVICE SPEC	201,302	6.67	263,076	7.50	263,076	7.50	263,076	7.50
LOTTERY INSIDE SALES SPEC	258,964	7.54	286,138	8.00	286,138	8.00	286,138	8.00
LOTTERY INSIDE SALES TEAM MGR	74,303	1.81	86,626	2.00	86,626	2.00	86,626	2.00
LOTTERY FIELD REPRESENTATIVE	1,690,803	40.55	1,936,082	41.00	1,920,082	41.00	1,920,082	41.00
LOTTERY DSTRCT/CORP SALES MGR	433,907	8.28	454,464	8.00	454,464	8.00	454,464	8.00
LOTTERY SALES MANAGER	511,002	7.81	570,333	8.00	469,333	7.00	469,333	7.00
MAINTENANCE/GROUNDS SUPERVISOR	52,143	1.04	54,902	1.00	54,902	1.00	54,902	1.00
TOTAL - PS	7,436,210	153.69	8,076,065	153.50	8,076,065	153.50	8,076,065	153.50
TRAVEL, IN-STATE	60,936	0.00	145,787	0.00	145,787	0.00	145,787	0.00
TRAVEL, OUT-OF-STATE	40,808	0.00	72,900	0.00	72,900	0.00	72,900	0.00
FUEL & UTILITIES	82,557	0.00	120,775	0.00	120,775	0.00	120,775	0.00
SUPPLIES	1,023,482	0.00	921,827	0.00	921,827	0.00	921,827	0.00
PROFESSIONAL DEVELOPMENT	202,056	0.00	197,293	0.00	197,293	0.00	197,293	0.00
COMMUNICATION SERV & SUPP	319,229	0.00	341,600	0.00	341,600	0.00	341,600	0.00
PROFESSIONAL SERVICES	44,506,468	0.00	41,248,764	0.00	41,248,764	0.00	41,248,764	0.00
HOUSEKEEPING & JANITORIAL SERV	59,407	0.00	54,000	0.00	54,000	0.00	54,000	0.00
M&R SERVICES	1,695,233	0.00	1,065,655	0.00	1,415,655	0.00	1,415,655	0.00
COMPUTER EQUIPMENT	237,711	0.00	528,500	0.00	528,500	0.00	528,500	0.00
MOTORIZED EQUIPMENT	0	0.00	203,450	0.00	203,450	0.00	203,450	0.00
OFFICE EQUIPMENT	11,663	0.00	46,535	0.00	46,535	0.00	46,535	0.00
OTHER EQUIPMENT	299,216	0.00	521,703	0.00	36,703	0.00	36,703	0.00
PROPERTY & IMPROVEMENTS	78,282	0.00	309,000	0.00	309,000	0.00	309,000	0.00
BUILDING LEASE PAYMENTS	66,369	0.00	119,750	0.00	119,750	0.00	119,750	0.00
EQUIPMENT RENTALS & LEASES	174,547	0.00	128,950	0.00	143,950	0.00	143,950	0.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATING								
CORE								
MISCELLANEOUS EXPENSES	405,241	0.00	293,727	0.00	413,727	0.00	413,727	0.00
TOTAL - EE	49,263,205	0.00	46,320,216	0.00	46,320,216	0.00	46,320,216	0.00
REFUNDS	43,664	0.00	9,450	0.00	9,450	0.00	9,450	0.00
TOTAL - PD	43,664	0.00	9,450	0.00	9,450	0.00	9,450	0.00
GRAND TOTAL	\$56,743,079	153.69	\$54,405,731	153.50	\$54,405,731	153.50	\$54,405,731	153.50
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$56,743,079	153.69	\$54,405,731	153.50	\$54,405,731	153.50	\$54,405,731	153.50

PROGRAM DESCRIPTION		
Department	REVENUE	HB Section(s): <u>4.175-4.190</u>
Program Name	MISSOURI LOTTERY COMMISSION	
Program is found in the following core budget(s): LOTTERY - OPERATING - OTHER FUNDS		
<p>1a. What strategic priority does this program address?</p> <p>Helps fund public education.</p> <p>1b. What does this program do?</p> <p>The core functions of the Lottery are: a) recruit and license Lottery retailers; b) create, market and distribute Lottery products; c) collect revenues from retailers; d) pay Lottery prizes and retailer commissions; e) ensure the security and integrity of Lottery operations and games and f) transfer profits to the Lottery Proceeds Fund for appropriation.</p> <p>The Missouri Lottery Commission is a revenue source for Missouri public education. Lottery operating appropriations allow the Commission to expend resources they earn through the sale of tickets to support the development, implementation, sales, delivery and administration of a full array of lottery games, for the expressed purpose of generating profits that may be appropriated by the legislature for Missouri public education.</p> <p>Expenditures are from funds generated by the sale of tickets and not from the General Revenue Fund.</p> <p>2a. Provide an activity measure(s) for the program.</p> <ol style="list-style-type: none"> 1) Lottery Retailers - 4,700 Lottery Retailers across the state received \$104.2 million in retailer commissions and incentives in FY 2022. 2) Lottery Players - \$1.3 billion paid to players in prizes in FY 2022. 3) Minority and Women-owned Businesses - \$17.0 million and \$6.6 million to minority and women-owned businesses, respectively, in FY 2022, for participation rates of 11.18% and 4.32% respectively. <p>2b. Provide a measure(s) of the program's quality.</p> <ol style="list-style-type: none"> 1) Player Satisfaction - Increases in ticket sales reflect player satisfaction. FY 2022 sales were \$1.8 billion, tied with FY 21 for the highest in Missouri Lottery history. 2) Retailer Satisfaction - 2022 retailer satisfaction survey showed an overall satisfaction with the Lottery of 4.28 out of 5. 3) Responsible Gaming - Missouri Lottery has achieved Level 4 certification through the World Lottery Association's responsible gaming framework, the highest certification status. Only 8 US lotteries have achieved Level 4 status. Missouri Lottery also offers a self-exclusion program for players who classify themselves as problem gamblers. 		

PROGRAM DESCRIPTION

Department	REVENUE	HB Section(s): <u>4.175-4.190</u>
Program Name	MISSOURI LOTTERY COMMISSION	
Program is found in the following core budget(s): LOTTERY - OPERATING - OTHER FUNDS		

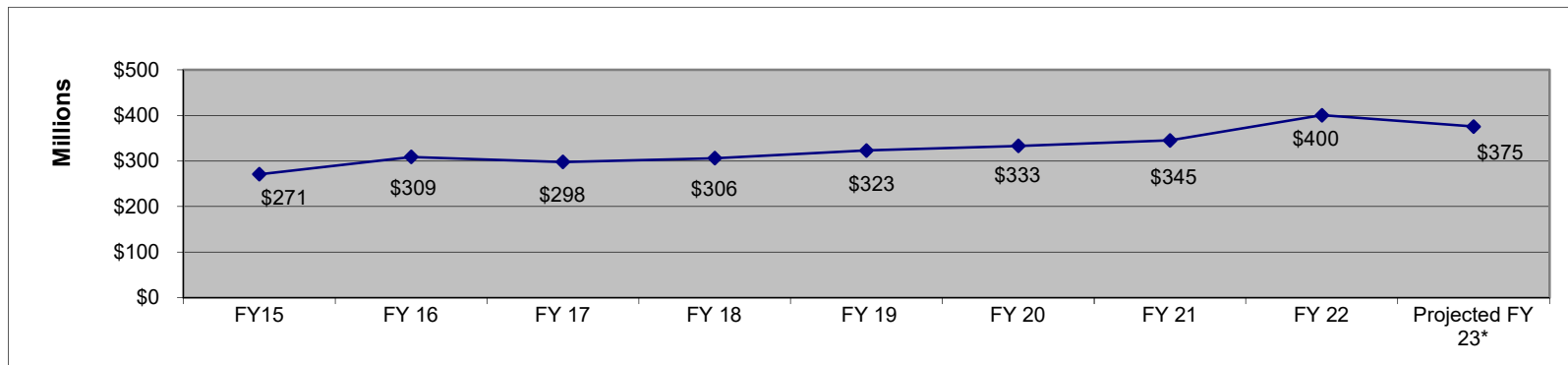
4) Statutory audits - Missouri Lottery is audited by the State Auditor's Office (SAO) every two years and annually by an independent certified public accounting (CPA) firm, consistently receiving "Excellent" ratings from the SAO and unmodified opinions from the independent CPA firm. The most recent SAO audit, covering the two years ended June 30, 2020, contained no findings and an "Excellent" rating.

5) Excellence in Reporting - Missouri Lottery has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for each of the last 22 years. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Annual Comprehensive Financial Reports can be found on our website.

6) Security and Risk Management - Missouri Lottery is the first U.S. lottery to achieve the World Lottery Association's Level 2 certification for security and risk management. The Level 2 certification is based on the effective management of security and integrity, using four key components: ISO/IEC 27001 international standards for information security; lottery-specific security processes and controls; requirements for products offered by the lottery; and controls required for offering games run by the Multi-State Lottery Association (MUSL). The Lottery's information system has also been certified by MSECBS, an accredited Management Systems Certification Body.

2c. Provide a measure(s) of the program's impact.

1.) Annual Transfers to Education

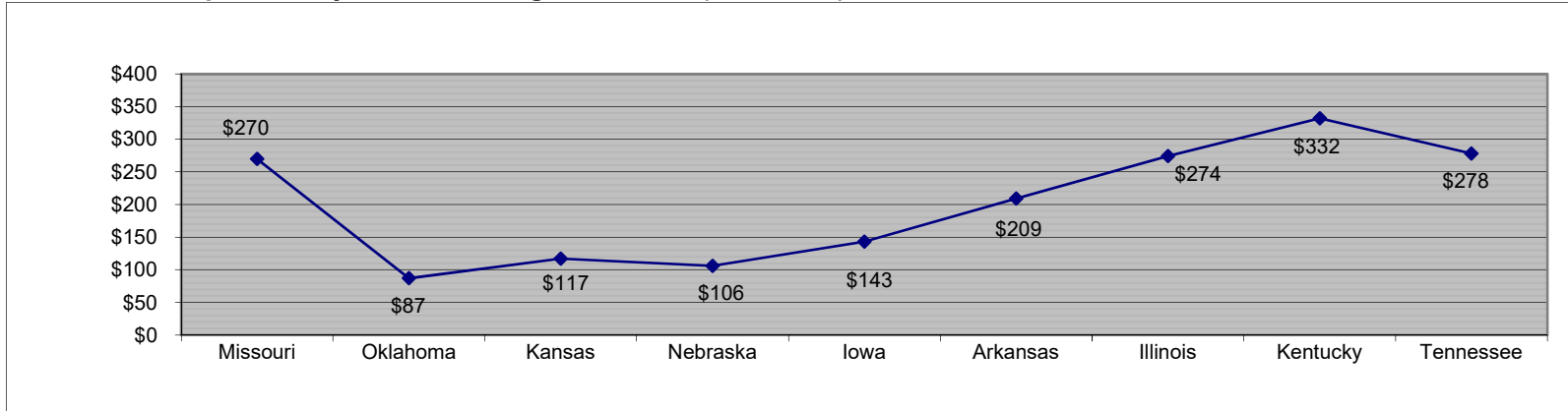


*Projected FY 23 is calculated as the previous five years' average plus 1% in order to neutralize/counterbalance fluctuations from jackpots and product mix in any one year, plus FY 22 proceeds not transferred until FY 23 of \$39.3 million

PROGRAM DESCRIPTION

Department	REVENUE	HB Section(s): <u>4.175-4.190</u>
Program Name	MISSOURI LOTTERY COMMISSION	
Program is found in the following core budget(s): LOTTERY - OPERATING - OTHER FUNDS		

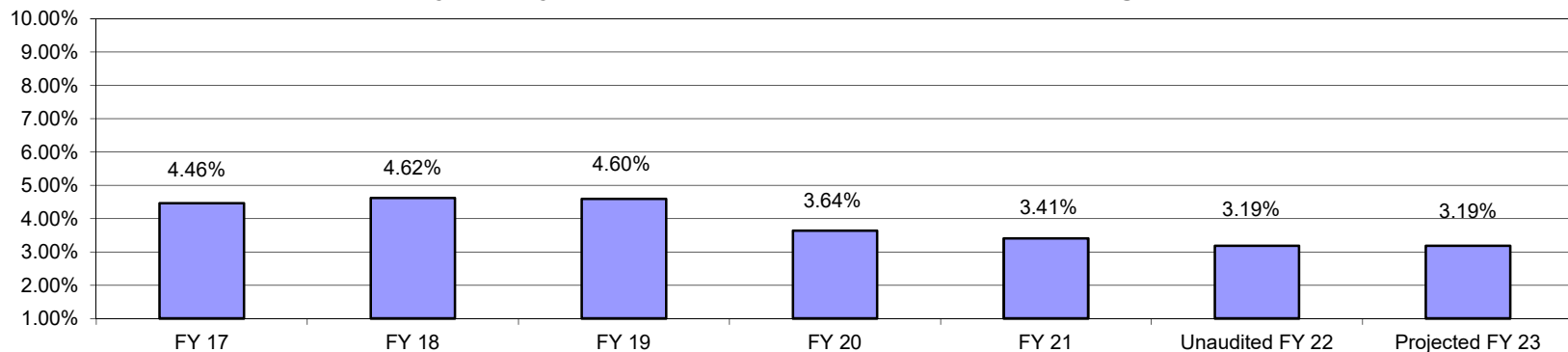
2.) FY 2021 Per Capita Lottery Sales of Contiguous States (Unaudited)



3.) State Tax Withholdings and Debt Offsets on Lottery Winnings - In FY 2022, the Lottery remitted \$5.1 million in state tax withholdings to Missouri Department of Revenue and \$1.2 million in debt offsets to various state agencies from Lottery prize winnings.

2d. Provide a measure(s) of the program's efficiency.

1.) Missouri Lottery History of Administrative Expenses as a Percentage of Sales**



**Administrative expenses include ticket costs and related vendor fees, wages and benefits, depreciation, advertising and other general and administrative costs.

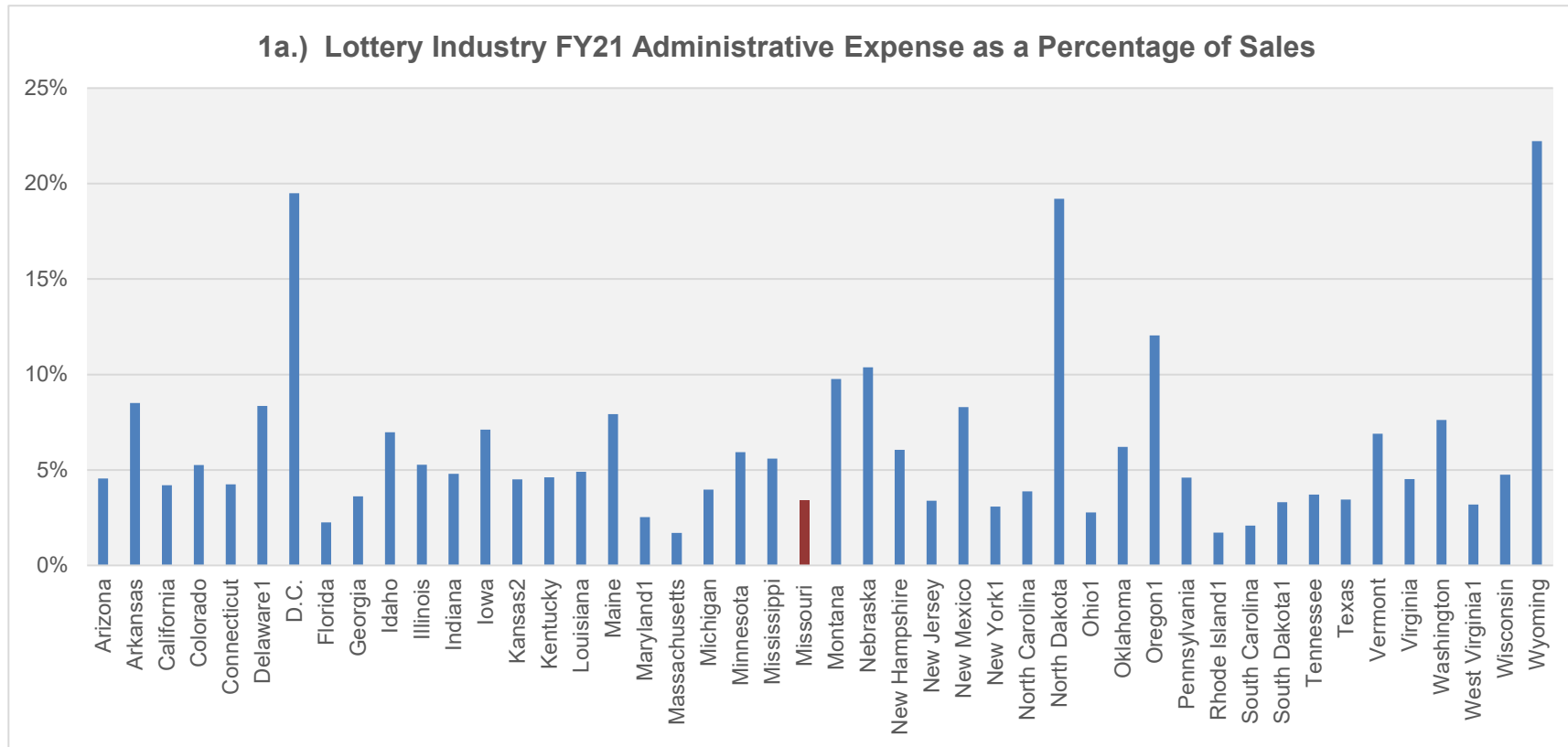
PROGRAM DESCRIPTION

Department **REVENUE**

HB Section(s): **4.175-4.190**

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**



In FY 21, Missouri Lottery's administrative expenses were 3.4% of sales compared to the FY 21 U.S. Lottery industry average of 6.02%.

Source: *La Fleur's 2022 World Lottery Almanac* © 2022 TLF Publications, Inc. All rights reserved.

PROGRAM DESCRIPTION

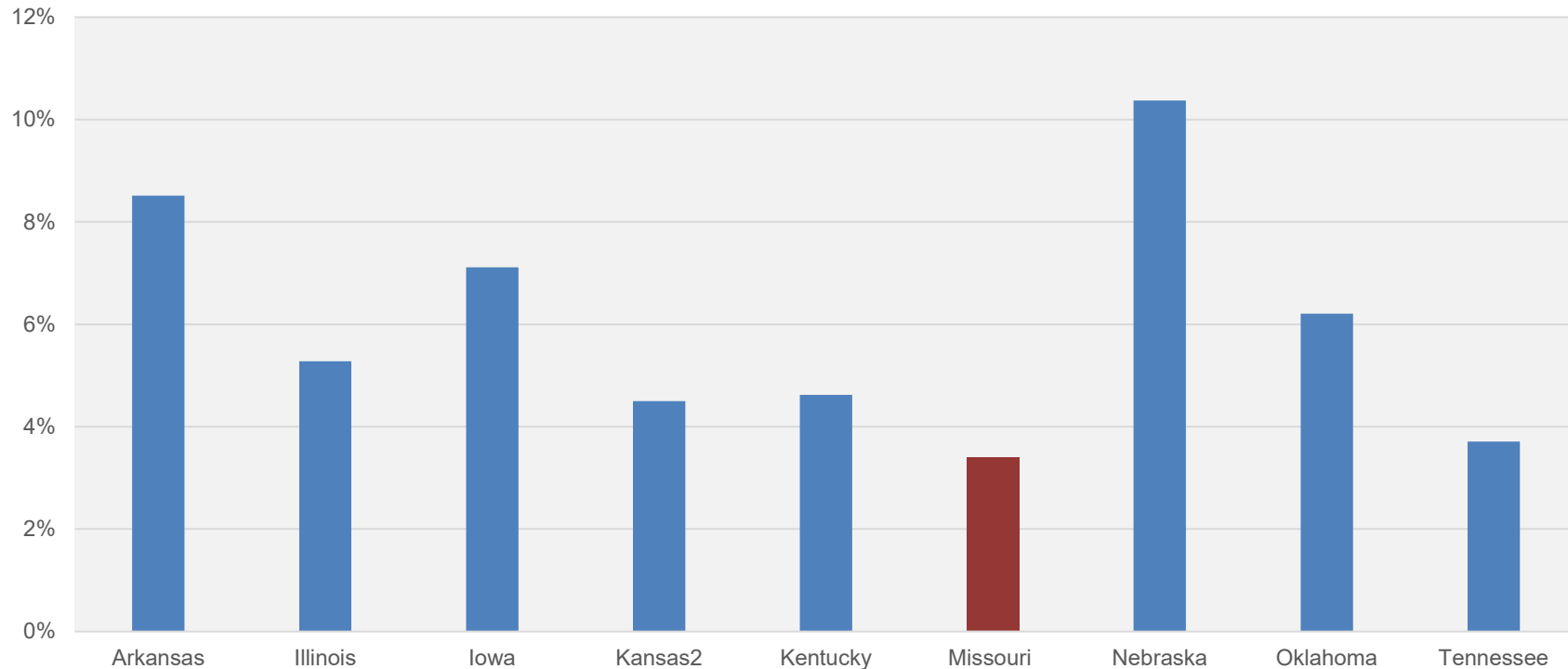
Department **REVENUE**

HB Section(s): 4.175-4.190

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

1b.) Contiguous States FY21 Administrative Expense as a Percentage of Sales



In FY 21, Missouri Lottery's administrative expenses were 3.4% of sales compared to the contiguous state lotteries' average of 6.29%.

Source: *La Fleur's 2022 World Lottery Almanac* © 2022 TLF Publications, Inc. All rights reserved.

PROGRAM DESCRIPTION

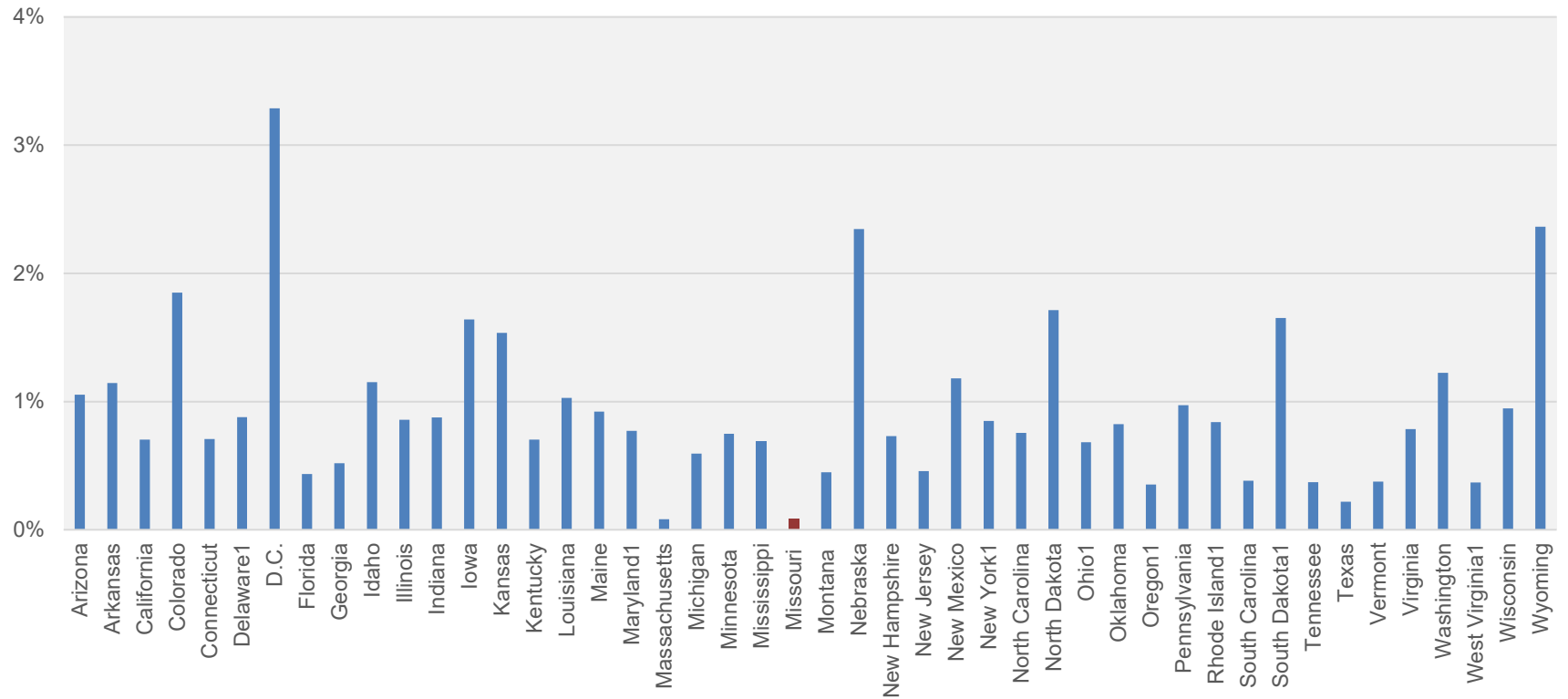
Department **REVENUE**

HB Section(s): **4.175-4.190**

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

2. Lottery Industry FY21 Advertising Budget as a Percentage of Sales



In FY 21, Missouri Lottery's advertising budget was .08% of sales compared to the FY 21 U.S. Lottery industry average of .94%.

Source: *La Fleur's 2022 World Lottery Almanac* © 2022 TLF Publications, Inc. All rights reserved.

PROGRAM DESCRIPTION

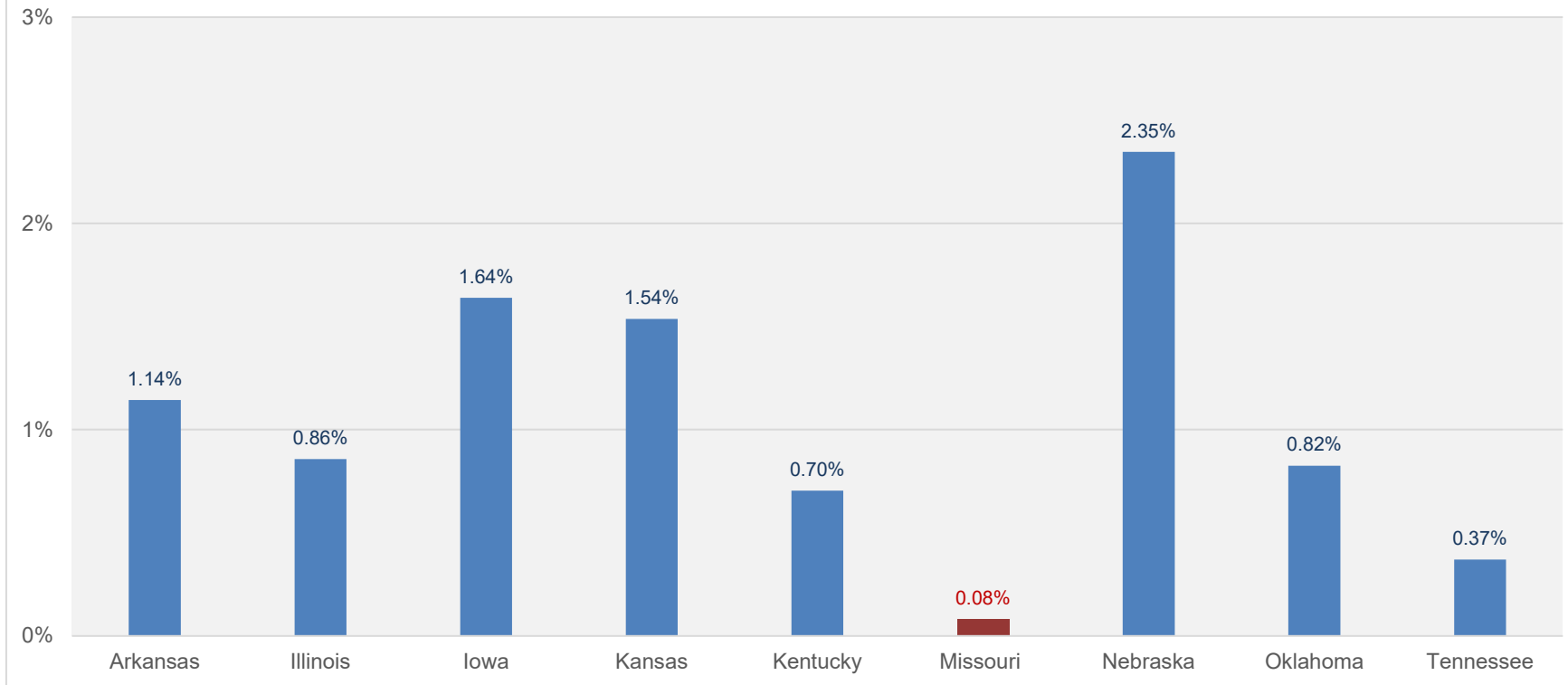
Department REVENUE

HB Section(s): 4.175-4.190

Program Name MISSOURI LOTTERY COMMISSION

Program is found in the following core budget(s): LOTTERY - OPERATING - OTHER FUNDS

2a.) Contiguous States FY21 Advertising Budget as a Percentage of Sales



In FY 21 Missouri Lottery's advertising budget was .08% of sales compared to contiguous state lotteries' average of 1.18%.

Source: *La Fleur's 2022 World Lottery Almanac* © 2022 TLF Publications, Inc. All rights reserved.

PROGRAM DESCRIPTION

Department **REVENUE**

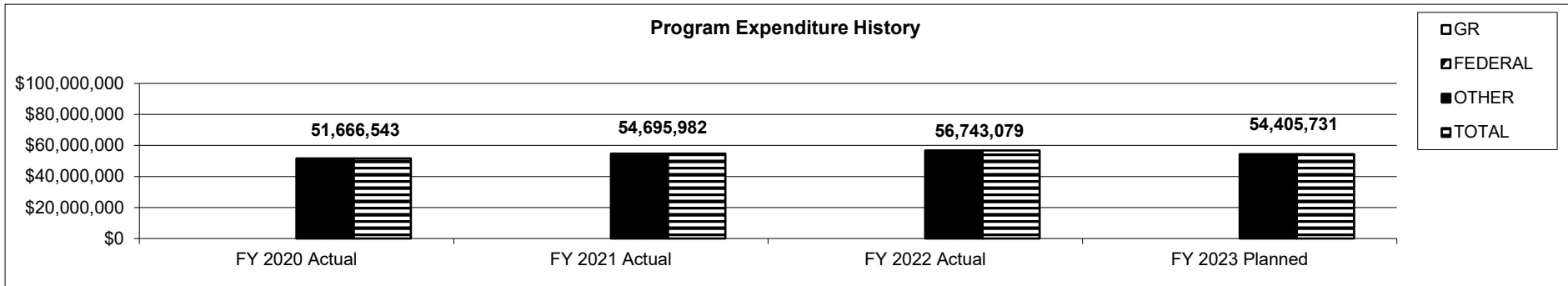
HB Section(s): 4.175-4.190

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

(Note: Amounts do not include fringe benefit costs, capital improvements, leasing, state-owned building, or Attorney General PS, all of which are included in other agency budgets.)



Program Expenditures include Lottery operating budget expenditures only: PS, E&E, Advertising, and Vendor Payments.

4. What are the sources of the "Other " funds?

Proceeds from the sale of tickets.

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statutes: RSMo 313.200-313.351; Article III, Section 39(b) of the Missouri State Constitution.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

NEW DECISION ITEM

RANK: 1 **OF** _____

Department REVENUE
Division MISSOURI LOTTERY COMMISSION
DI Name Vendor Payment Cost to Continue **DI#** 1860090

Budget Unit 87212C
HB Section 4.175

1. AMOUNT OF REQUEST

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	5,306,592	5,306,592
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	5,306,592	5,306,592
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Lottery Enterprise Fund (0657)

Non-Counts:

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	5,306,592	5,306,592
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	5,306,592	5,306,592
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
--------------------	---	---	---	---

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Lottery Enterprise Fund (0657)

Non-Counts:

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other: _____	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This request is necessary to pay Lottery game vendors who are compensated based on a percentage of Lottery ticket sales and equates to the amount of supplemental funding received and spent in FY 22. The Lottery requests a \$5,306,592 increase to its core vendor payment budget of \$29,371,477 to reduce or eliminate the dollar amount necessary to be requested through the supplemental budget process. This 18% increase in the core vendor payment budget correlates directly with a 20% increase in sales since FY 20. Sales were \$1.5 billion in FY 20, \$1.8 billion in FY 21 and \$1.8 billion in FY 22.

NEW DECISION ITEM

RANK: 1 **OF**

Department <u>REVENUE</u>	Budget Unit <u>87212C</u>
Division <u>MISSOURI LOTTERY COMMISSION</u>	
DI Name <u>Vendor Payment Cost to Continue</u> DI# <u>1860090</u>	HB Section <u>4.175</u>

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

This request is necessary to pay Lottery game vendors who are compensated based on a percentage of Lottery ticket sales and equates to the amount of supplemental funding received and spent in FY 22. The Lottery requests a \$5,306,593 increase to its core vendor payment budget of \$29,371,477 to reduce or eliminate the dollar amount necessary to be requested through the supplemental budget process. Supplemental funding received and spent in FY 21 was \$3,000,000. No supplemental funding was needed in FY 20.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Budget Object Class/Job Class									
400-Professional Services					5,306,592		5,306,592		
							0		
Total EE	<u>0</u>		<u>0</u>		<u>5,306,592</u>		<u>5,306,592</u>		<u>0</u>
Transfers									
Total TRF	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Grand Total	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>5,306,592</u>	<u>0.0</u>	<u>5,306,592</u>	<u>0.0</u>	<u>0</u>
	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec
	GR	GR	FED	FED	OTHER	OTHER	TOTAL	TOTAL	One-Time
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS
400-Professional Services					5,306,592		5,306,592		
							0		
Total EE	<u>0</u>		<u>0</u>		<u>5,306,592</u>		<u>5,306,592</u>		<u>0</u>
Grand Total	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>5,306,592</u>	<u>0.0</u>	<u>5,306,592</u>	<u>0.0</u>	<u>0</u>

NEW DECISION ITEMRANK: 1 OF

Department	REVENUE	Budget Unit	87212C
Division	MISSOURI LOTTERY COMMISSION		
DI Name	Vendor Payment Cost to Continue	DI# 1860090	HB Section 4.175

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**6a. Provide an activity measure(s) for the program.**

- 1) Lottery Retailers - 4,700 Lottery Retailers across the state received \$104.2 million in retailer commissions and incentives in FY 2022.
- 2) Lottery Players - \$1.3 billion paid to players in prizes in FY 2022.
- 3) Minority and Women-owned Businesses - \$17.0 million and \$6.6 million to minority and women-owned businesses, respectively, in FY 2022, for participation rates of 11.18% and 4.32% respectively.

6b. Provide a measure(s) of the program's quality.

- 1) Player Satisfaction - Increases in ticket sales reflect player satisfaction. FY 2022 sales exceeded \$1.8 billion, tied with FY 21 for the highest in Missouri Lottery history.
- 2) Retailer Satisfaction - 2022 retailer satisfaction survey showed an overall satisfaction with the Lottery of 4.28 out of 5.
- 3) Responsible Gaming - Missouri Lottery has achieved Level 4 certification through the World Lottery Association's responsible gaming framework, the highest certification status. Only 8 US lotteries have achieved Level 4 status. Missouri Lottery also offers a self-exclusion program for players who classify themselves as problem gamblers.
- 4) Statutory audits - Missouri Lottery is audited by the State Auditor's Office (SAO) every two years and annually by an independent certified public accounting (CPA) firm, consistently receiving "Excellent" ratings from the SAO and unmodified opinions from the independent CPA firm. The most recent SAO audit, covering the two years ended June 30, 2020, contained no findings and an "Excellent" rating.
- 5) Excellence in Reporting - Missouri Lottery has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for each of the last 22 years. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Annual Comprehensive Financial Reports can be found on our website.

NEW DECISION ITEM

RANK: 1 **OF**

Department <u>REVENUE</u>	Budget Unit <u>87212C</u>
Division <u>MISSOURI LOTTERY COMMISSION</u>	
DI Name <u>Vendor Payment Cost to Continue</u> DI# <u>1860090</u>	HB Section <u>4.175</u>

6) Security and Risk Management - Missouri Lottery is the first U.S. lottery to achieve the World Lottery Association's Level 2 certification for security and risk management. The Level 2 certification is based on the effective management of security and integrity, using four key components: ISO/IEC 27001 international standards for information security; lottery-specific security processes and controls; requirements for products offered by the lottery; and controls required for offering games run by the Multi-State Lottery Association (MUSL). The Lottery's information system has also been certified by MSECBC, an accredited Management Systems Certification Body.

6c. Provide a measure(s) of the program's impact.

- 1.) Annual Transfers to Education - FY 22 proceeds to education were \$400 million, the highest in Lottery history.
- 2.) State Tax Withholdings and Debt Offsets on Lottery Winnings - In FY 2022, the Lottery remitted \$5.1 million in state tax withholdings to Missouri Department of Revenue and \$1.2 million in debt offsets to various state agencies from Lottery prize winnings.

6d. Provide a measure(s) of the program's efficiency.

- 1.) In FY 21, Missouri Lottery's administrative expenses were 3.40% of sales compared to the FY 21 U.S. Lottery industry average of 6.02% and the contiguous state lotteries' average of 6.29%.

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

- Explore optimization of our portfolio through product changes, new innovations, new partnerships and new player touchpoints.
- Continued expansion of succession plan to mitigate business interruption and develop and retain high-potential employees; continued emphasize on reducing employee turnover; continue implementing employee development plans to improve employee satisfaction; continue providing employees with career guidance and encouragement through formal mentor partnerships.
- Continued development and implementation of new and alternative sales and payment channels at retail.

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
Vendor Pmt Cost to Continue - 1860090								
PROFESSIONAL SERVICES	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00
TOTAL - EE	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$5,306,592	0.00	\$5,306,592	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$5,306,592	0.00	\$5,306,592	0.00

NEW DECISION ITEM
RANK: 3 **OF** 7

Department REVENUE	Budget Unit 87212C
Division MISSOURI LOTTERY COMMISSION	
DI Name Advertising Increase DI# 1860091	HB Section 4.175

1. AMOUNT OF REQUEST

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	7,600,000	7,600,000
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	7,600,000	7,600,000
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Lottery Enterprise Fund (0657)
Non-Counts:

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	0	0
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:
Non-Counts:

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Restore prior year budget cuts.	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This requested increase in advertising appropriation is at **no cost** to the state of Missouri (not from taxes or General Revenue). Its only purpose is to raise revenue for Missouri education.

The Lottery has proven a high return on investment (ROI) on its use of advertising dollars which equals a high revenue return for Missouri schools. In FY19, when the advertising budget was \$16 million, the Lottery generated \$5.79 in incremental profit for Missouri schools for every \$1 invested in advertising.

NEW DECISION ITEM
RANK: 3 **OF** 7

Department REVENUE	Budget Unit <u>87212C</u>
Division MISSOURI LOTTERY COMMISSION	
DI Name Advertising Increase DI# 1860091	HB Section <u>4.175</u>

Advertising is a best practice in any business, organization or non-profit. This is especially true for the highly competitive retail environment where the Lottery is offered alongside thousands of other products. Most competing brands spend 10-13% of total sales on advertising. The current Missouri Lottery budget allows less than 1%.

The Missouri Lottery's current (FY23) advertising budget (\$400,000) as a percentage of sales is the lowest among all of its surrounding lottery states, and in fact, is the lowest in the nation at .02%. The 46 lottery states average .94% and the eight states surrounding Missouri average 1.18%.

This funding is needed to sustain our current customer base and attract new players. The Lottery needs to increase its brand awareness and relevance to be successful. Newer generations openly support businesses who project corporate social responsibility. However, we are seeing a decline in players' positive feelings about the Lottery, which in turn leads to less play as a result of virtually no messaging about the revenue the Lottery raises for education.

Lottery advertising spend impacts thousands of Missouri businesses. By increasing sales through advertising, businesses that sell lottery products (primarily grocery and convenience stores throughout the state) and those involved in the advertising industry (media outlets, actors, media production companies) benefit as well. We estimate Lottery retailers have missed out on \$22 million in commissions and incentives as a result of our lack of advertising.

Lottery advertising is responsible. We are committed to truthful and respectful advertising of our games and promotions, as well as proactive responsible gaming messaging.

The state statute that established the Missouri Lottery and its responsibilities is 313.321, RSMo.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

We looked at advertising budgets of other lottery states to develop an estimate. As indicated above, the average advertising budget of all 46 states is \$13.82 million or .94% as a percentage of sales. If we applied the formula to the Missouri Lottery's FY21 sales (\$1,811,490,000) x .0094, the request would be \$17 million. The average advertising budget of the eight lottery states that surround Missouri is \$9.41 million. Their ad budget as a percentage of sales in those eight states is 1.18%. Applying that same formula, our ad budget request would be \$21.4 million, based on the surrounding states. We settled on .05% to be conservative, which would be a request of \$8 million for FY24. We would like the opportunity to prove the benefit this amount could have.

NEW DECISION ITEM
RANK: 3 OF 7

Department REVENUE	Budget Unit 87212C
Division MISSOURI LOTTERY COMMISSION	
DI Name Advertising Increase DI# 1860091	HB Section 4.175

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
400-Professional Services					7,600,000		7,600,000		
Total EE	0		0		7,600,000		7,600,000		0
Transfers					7,600,000		7,600,000		
Total TRF	0		0		7,600,000		7,600,000		0
Grand Total	0	0.0	0	0.0	15,200,000	0.0	15,200,000	0.0	0

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
400-Professional Services							0		
Total EE	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

NEW DECISION ITEM
RANK: 3 **OF** 7

Department REVENUE	Budget Unit 87212C
Division MISSOURI LOTTERY COMMISSION	
DI Name Advertising Increase DI# 1860091	HB Section 4.175

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an activity measure(s) for the program.

Advertising effectiveness is an ROI calculation, which is the ratio of the gross margin minus the marketing investment, divided by the marketing investment. In our advertising effectiveness, we used the estimated profit from the sales growth over the benchmark sales (incremental sales growth) minus the incremental media spend as the gross margin. To get the ROI percentage, we divide the gross margin by the media spend. For our advertising ROI, the benchmark sales were the sales from the three-year period when our ad spend was low (it was around \$1.5M - FY07 to FY10). We took that average and then in subsequent years incremented it using the CPI inflation rate just to keep it "current". One very important facet in measuring effectiveness this way is consistency in data and formulas over time. See below for an example from our FY19 advertising ROI.

	Traditional Lottery Sales					Ad Spending		
	Weekly Sales-to-Date		Sales Growth Over Benchmark			Total Ad Spending		Incremental
	Benchmark	FY19	\$ Growth	% Growth		Est. Profit	Benchmark	FY19
Statewide	1,120,064,337	1,350,146,830	230,082,493	20.54%	57,635,665	1,726,701	13,601,012	11,874,311

	Growth Over Benchmark	Estimated Profit	Incremental Ad Spend	Profit \$ Earned for Every \$1 Spent on Advertising	Ad Spend as % of Sales
Incremental ROI	230,082,493	57,635,665	11,874,311	4.85	1.01%

Return on Investment is 385.38%

Another facet of advertising effectiveness is whether your target audience was reached by the ad. One way is by measuring ad impressions or how many saw the ad.

6b. Provide a measure(s) of the program's quality.

See response to 6a.above.

NEW DECISION ITEM
RANK: 3 **OF** 7

Department	REVENUE	Budget Unit	<u>87212C</u>
Division	MISSOURI LOTTERY COMMISSION		
DI Name	Advertising Increase	DI#	<u>1860091</u>
		HB Section	<u>4.175</u>

6c. Provide a measure(s) of the program's impact.

Sales is one estimate, but so many things can affect sales (high jackpots, number of retailers, promotions, new games, etc.), one cannot point to a sales level being due to advertising alone.

Tracking studies the Missouri Lottery conducts on a monthly basis track awareness and engagement over time. Since advertising has been decreased substantially since FY19, we are seeing decreases in this measurement. A restoration of advertising will help that decline. That has been proven in previous years when Missouri Lottery ad budgets were decreased and then increased.

6d. Provide a measure(s) of the program's efficiency.

A measure of the efficiency will be the Lottery's administrative expense to sales. Our administrative expenses in FY21 were 3.4% of sales. We ranked 11th out of 46 jurisdictions, meaning 35 other lotteries had higher operating and administrative costs. Comparing that to the eight states that surround the Missouri Lottery, we have the lowest percentage of administrative expenses of all contiguous states. The Lottery is an exceptionally efficiently-run business and a responsible, transparent steward of our budget. Having a reasonable advertising budget will not adversely affect our efficiency in any way.

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

Buying media based on our players' media habits.

Buying programming within that media that our players consume.

Measure the number of impressions for each ad.

Measuring the impact on sales with the caveat that a number of other things can also impact sales.

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
Lottery Advertising Increase - 1860091								
PROFESSIONAL SERVICES	0	0.00	0	0.00	7,600,000	0.00	0	0.00
TOTAL - EE	0	0.00	0	0.00	7,600,000	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$7,600,000	0.00	\$0	0.00
GENERAL REVENUE								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS								
	\$0	0.00	\$0	0.00	\$7,600,000	0.00		0.00

NEW DECISION ITEM
RANK: 4 **OF** 7

Department REVENUE	Budget Unit 87212C
Division MISSOURI LOTTERY COMMISSION	
DI Name Sponsorships Increase DI# 1860092	HB Section 4.175

1. AMOUNT OF REQUEST

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	1,884,993	1,884,993
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	1,884,993	1,884,993
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Lottery Enterprise Fund (0657)
Non-Counts:

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	0	0
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:
Non-Counts:

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: <u>Restore prior year budget cuts.</u>	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

a. Return on Investment: The lottery currently uses an evaluation tool called PinPoint to help evaluate and determine the potential ROI tied to event and sponsorship opportunities. It was created and is managed by Sponsor Park, a Missouri-based company. The PinPoint software calculates an ROI based on the assets or elements being offered to the Lottery in return for the sponsorship investment. After the event/sponsorship is complete, a final ROI is calculated factoring in additional assets, including but not limited to, on-site sales, promotional giveaways and costs associated with the event/sponsorship. In fiscal year 2021 our final event/sponsorship ROI from PinPoint was: Total benefits (\$1,857,582.02) divided by total costs (\$1,271,414.06) or a return of 1.46.

NEW DECISION ITEM
RANK: 4 **OF** 7

Department REVENUE		Budget Unit	<u>87212C</u>
Division MISSOURI LOTTERY COMMISSION			
DI Name Sponsorships Increase	DI# 1860092	HB Section	<u>4.175</u>
<p>b. Brand Visibility: Sponsorships the Lottery has done put our brand in front of large audiences who hadn't heard of the Lottery or thought about it recently. The bigger the event, the more press and social media mentions and engagement our brand receives before, during and after the event day. With many sponsorships we get featured ads, signs, or radio spots from the associated media partner that boost our brand recognition. If we plan promotional giveaways, a huge number of people will be wearing/using our branded items (i.e. T-shirts, bags, bottles etc.).</p> <p>c. Targeted Marketing: Whether we are involved with a local sports team, civic event, or festival, the right event attracts highly interested customers. Sponsored events often cater to niche audiences or member organizations. We gain opportunities to engage one on one with people looking for relevant product solutions (i.e. a licensed ticket with the St. Louis Cardinals or Kansas City Chiefs), while supporting Missouri businesses and communities.</p> <p>d. Consumer Perception: Customers form positive opinions when the Lottery is tied to highly engaging and high-profile events. Our collaboration with a popular brand improves customer perception of the Lottery as well. The Event Marketing Institute found that 74% of consumers are more likely to buy products after exposure to a branded event marketing experience. The Lottery benefits by having a positive reputation in the community where we actively participate.</p> <p>Note that the Kansas Lottery is now sponsoring the Kansas City Chiefs, an exclusive sponsorship contract we had to end once our events/sponsorship budget was decreased to \$1 (by exclusive this means that no other similar business can have a contract with that sports entity). Instead of Missouri being associated with the team, it's Kansas.</p> <p>e. Efficient Lead Generation: While the Lottery doesn't data mine information from events/sponsorships, they are still very valuable to gain interest in our products and programs. At past events, we have used on-site opportunities to generate leads/interest in our loyalty program and mobile app.</p> <p>f. Sales: The majority of the events/sponsorships we participate in are consumer events, allowing us to sell lottery tickets on site. Setting up a branded booth is an effective way to attract new business and new players. Based on sales at events in FY22, we have estimated a \$783,624 sales loss from not participating or selling at events and sponsorships in FY23.</p> <p>g. Community Goodwill: Strengthening the Lottery's image is one of the most valuable benefits of event sponsorships. Customers love brands that care about spreading positive messages and helping their community. Reminding customers that the Lottery benefits Missouri public education can draw lasting support and media attention. Community involvement also sets you apart from larger brands. People have more incentive to support the Lottery if we are invested in the local community. It aligns their values to us and boosts loyalty.</p> <p>h. Content Strategy: Event sponsorships provide fresh material to expand our content strategy. By connecting with the event holder on social media, we can find relevant audiences to engage with. Partnering with popular events allows us to leverage our own messaging, but it doesn't end there. When attendees share photos, quotes, videos, and blogs, exposure to much larger networks is also gained. User-generated content has a greater impact on customers, so making it easy for people to publicize the Lottery through their own activity on social media is very beneficial.</p> <p>i. The state statute that established the Missouri Lottery and its responsibilities is 313.321, RSMo.</p>			

NEW DECISION ITEM
RANK: 4 OF 7

Department REVENUE	Budget Unit 87212C
Division MISSOURI LOTTERY COMMISSION	
DI Name Sponsorships Increase DI# 1860092	HB Section 4.175

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Lottery's E&E budget was reduced by \$2,007,581 in the FY 22 legislative session. \$122,588 of this amount was reallocated to a new responsible gaming messaging budget line item and increased to \$400,000. The \$1,884,993 increase restores the sponsorships budget that was reduced to \$1 in the last legislative session.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
400-Professional Services					1,884,993		1,884,993		
Total EE	<u>0</u>		<u>0</u>		<u>1,884,993</u>		<u>1,884,993</u>		<u>0</u>
Transfers					1,884,993		1,884,993		
Total TRF	<u>0</u>		<u>0</u>		<u>1,884,993</u>		<u>1,884,993</u>		<u>0</u>
Grand Total	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>3,769,986</u>	<u>0.0</u>	<u>3,769,986</u>	<u>0.0</u>	<u>0</u>
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
400-Professional Services							0		
Total EE	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Grand Total	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>

NEW DECISION ITEM
RANK: 4 OF 7

Department REVENUE	Budget Unit <u>87212C</u>
Division MISSOURI LOTTERY COMMISSION	
DI Name Sponsorships Increase DI# 1860092	HB Section <u>4.175</u>

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an activity measure(s) for the program.

As noted in 3a. above, we measure the return on investment with a Missouri-based software program that evaluates the elements and costs of an event or sponsorship opportunity to determine if it brings enough value to us. If not, we will not participate. That evaluation is also repeated after the event or sponsorship has occurred to confirm final value. If those evaluations are not positive, we will not participate again without considerable more value is added for the Missouri Lottery.

6b. Provide a measure(s) of the program's quality.
See responses to 3. above.

6c. Provide a measure(s) of the program's impact.
See responses to 3. above.

6d. Provide a measure(s) of the program's efficiency.
See responses to 3. above.

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:
See responses to 3. above.

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - OPERATIN								
Lottery Sponsorships Increase - 1860092								
PROFESSIONAL SERVICES	0	0.00	0	0.00	1,884,993	0.00	0	0.00
TOTAL - EE	0	0.00	0	0.00	1,884,993	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$1,884,993	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$1,884,993	0.00		0.00

DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
LOTTERY COMMISSION - PRIZES									
CORE									
EXPENSE & EQUIPMENT									
STATE LOTTERY FUND	200,277,993	0.00	174,075,218	0.00	174,075,218	0.00	174,075,218	0.00	
TOTAL - EE	200,277,993	0.00	174,075,218	0.00	174,075,218	0.00	174,075,218	0.00	
TOTAL	200,277,993	0.00	174,075,218	0.00	174,075,218	0.00	174,075,218	0.00	
Lottery Prizes Increase - 1860093									
EXPENSE & EQUIPMENT									
STATE LOTTERY FUND	0	0.00	0	0.00	26,202,775	0.00	26,202,775	0.00	
TOTAL - EE	0	0.00	0	0.00	26,202,775	0.00	26,202,775	0.00	
TOTAL	0	0.00	0	0.00	26,202,775	0.00	26,202,775	0.00	
GRAND TOTAL	\$200,277,993	0.00	\$174,075,218	0.00	\$200,277,993	0.00	\$200,277,993	0.00	

CORE DECISION ITEM

Department	REVENUE	Budget Unit	87213C
Division	MISSOURI LOTTERY COMMISSION	HB Section	4.180
Core -	PRIZES		

1. CORE FINANCIAL SUMMARY

FY 2024 Budget Request					FY 2024 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	0	0	0	0	PS	0	0	0	0
EE	0	0	174,075,218	174,075,218	EE	0	0	174,075,218	174,075,218
PSD	0	0	0	0	PSD	0	0	0	0
TRF	0	0	0	0	TRF	0	0	0	0
Total	0	0	174,075,218	174,075,218	Total	0	0	174,075,218	174,075,218
FTE	0.00	0.00	0.00	0.00	FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				
Other Funds: State Lottery Fund (0682)					Other Funds: State Lottery Fund (0682)				

2. CORE DESCRIPTION

The Missouri Lottery requests continued core funding for prize payouts associated with the Lottery's Scratchers and Draw Games. Prize structures of games are established to maximize sales and profits for Missouri public education. The Lottery will continue to inform the public of the prize structure of each game.

3. PROGRAM LISTING (list programs included in this core funding)

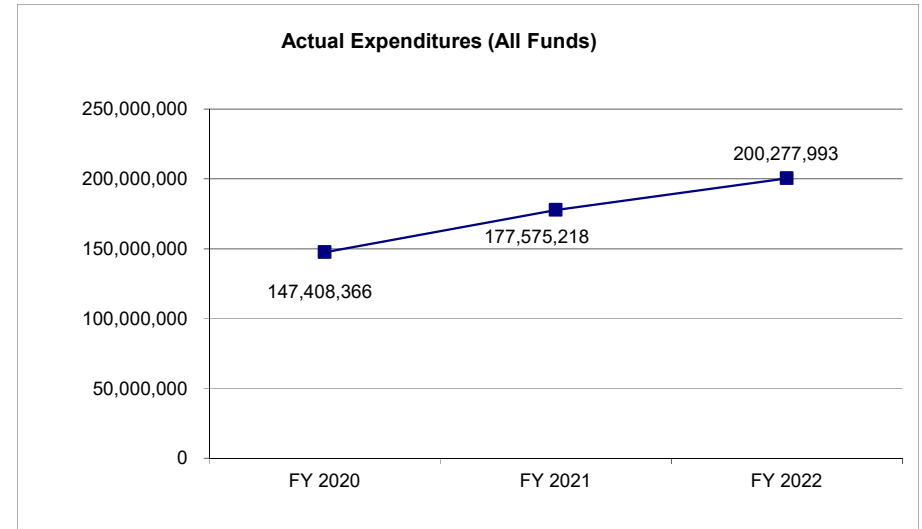
Prizes related to the games offered by the Missouri Lottery.

CORE DECISION ITEM

Department	REVENUE	Budget Unit	87213C
Division	MISSOURI LOTTERY COMMISSION		
Core -	PRIZES	HB Section	4.180

4. FINANCIAL HISTORY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Current Yr	FY 2022 Current Yr
Appropriation (All Funds)	174,075,218	177,575,218	202,805,855	174,075,218
Less Reverted (All Funds)	0	0	0	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	174,075,218	177,575,218	202,805,855	N/A
Actual Expenditures (All Funds)	147,408,366	177,575,218	200,277,993	N/A
Unexpended (All Funds)	26,666,852	0	2,527,862	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	26,666,852	0	2,527,862	N/A



Reverted includes Governor's standard 3 percent reserve (when applicable).
 Restricted includes any extraordinary expenditure restrictions (when applicable).

NOTES:

Supplemental budget requests were approved in the amount of \$3.5 million in FY 21 and \$28,730,637 in FY 22 to pay for prizes associated with higher than expected sales.

CORE RECONCILIATION DETAIL

**STATE
LOTTERY COMMISSION - PRIZES**

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES	EE	0.00	0	0	174,075,218	174,075,218	
	Total	0.00	0	0	174,075,218	174,075,218	
DEPARTMENT CORE REQUEST	EE	0.00	0	0	174,075,218	174,075,218	
	Total	0.00	0	0	174,075,218	174,075,218	
GOVERNOR'S RECOMMENDED CORE	EE	0.00	0	0	174,075,218	174,075,218	
	Total	0.00	0	0	174,075,218	174,075,218	

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - PRIZES								
CORE								
MISCELLANEOUS EXPENSES	200,277,993	0.00	174,075,218	0.00	174,075,218	0.00	174,075,218	0.00
TOTAL - EE	200,277,993	0.00	174,075,218	0.00	174,075,218	0.00	174,075,218	0.00
GRAND TOTAL	\$200,277,993	0.00	\$174,075,218	0.00	\$174,075,218	0.00	\$174,075,218	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$200,277,993	0.00	\$174,075,218	0.00	\$174,075,218	0.00	\$174,075,218	0.00

NEW DECISION ITEM
RANK: 1 OF 1

Department REVENUE	Budget Unit 87213C
Division MISSOURI LOTTERY COMMISSION	
DI Name Prizes Increase DI# 1860093	HB Section 4.175

1. AMOUNT OF REQUEST

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	26,202,775	26,202,775
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	26,202,775	26,202,775
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: State Lottery Fund (0682)

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	26,202,775	26,202,775
PSD	0	0	0	0
TRF	0	0	0	0
Total	0	0	26,202,775	26,202,775
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: State Lottery Fund (0682)

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This request is necessary to pay Lottery prizes to players and equates to the amount of supplemental funding received and spent in FY 22. The Lottery requests a \$26,202,775 increase to its core prizes budget of \$174,075,218 to reduce or eliminate the dollar amount necessary to be requested through the supplemental budget process. This 15% increase in the core prizes budget correlates directly with a 20% increase in sales since FY 20. Sales were \$1.5 billion in FY 20, \$1.8 billion in FY 21 and \$1.8 billion in FY 22.

NEW DECISION ITEM
RANK: 1 OF 1

Department REVENUE	Budget Unit 87213C
Division MISSOURI LOTTERY COMMISSION	
DI Name Prizes Increase DI# 1860093	HB Section 4.175

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

This request is necessary to pay Lottery prizes to players and equates to the amount of supplemental funding received and spent in FY 22. The Lottery requests a \$26,202,775 increase to its core prizes budget of \$174,075,218 to reduce or eliminate the dollar amount necessary to be requested through the supplemental budget process. Supplemental funding received and spent in FY 21 was \$3,500,000. No supplemental funding was needed in FY 20.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
740 - Miscellaneous Expenses					26,202,775		26,202,775		
Total EE	0		0		26,202,775		26,202,775		0
Grand Total	0	0.0	0	0.0	26,202,775	0.0	26,202,775	0.0	0
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
740 - Miscellaneous Expenses					26,202,775		26,202,775		
Total EE	0		0		26,202,775		26,202,775		0
Grand Total	0	0.0	0	0.0	26,202,775	0.0	26,202,775	0.0	0

NEW DECISION ITEM
RANK: 1 OF 1

Department	REVENUE	Budget Unit	87213C
Division	MISSOURI LOTTERY COMMISSION		
DI Name	Prizes Increase	DI#	1860093
		HB Section	4.175

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an activity measure(s) for the program.

- 1) Lottery Retailers - 4,700 Lottery Retailers across the state received \$104.5 million in retailer commissions and incentives in FY 2022 (unaudited).
- 2) Lottery Players - \$1.3 billion paid to players in prizes in FY 2022 (unaudited).
- 3) Minority and Women-owned Businesses - \$17.0 million and \$6.6 million to minority and women-owned businesses, respectively, in FY 2022, for participation rates of 11.18% and 4.32% respectively.

6b. Provide a measure(s) of the program's quality.

- 1) Player Satisfaction - Increases in ticket sales reflect player satisfaction. FY 2022 sales exceeded \$1.8 billion (unaudited), tied with FY 21 for the highest in Missouri Lottery history.
- 2) Retailer Satisfaction - 2022 retailer satisfaction survey showed an overall satisfaction with the Lottery of 4.28 out of 5.
- 3) Responsible Gaming - Missouri Lottery has achieved Level 4 certification through the World Lottery Association's responsible gaming framework, the highest certification status. Only 8 US lotteries have achieved Level 4 status. Missouri Lottery also offers a self-exclusion program for players who classify themselves as problem gamblers.
- 4) Statutory audits - Missouri Lottery is audited by the State Auditor's Office (SAO) every two years and annually by an independent certified public accounting (CPA) firm, consistently receiving "Excellent" ratings from the SAO and unmodified opinions from the independent CPA firm. The most recent SAO audit, covering the two years ended June 30, 2020, contained no findings and an "Excellent" rating.
- 5) Excellence in Reporting - Missouri Lottery has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for each of the last 22 years. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Annual Comprehensive Financial Reports can be found on our website.

NEW DECISION ITEM
RANK: 1 OF 1

Department REVENUE Division MISSOURI LOTTERY COMMISSION DI Name Prizes Increase DI# 1860093	Budget Unit 87213C HB Section 4.175
<p>6) Security and Risk Management - Missouri Lottery is the first U.S. lottery to achieve the World Lottery Association's Level 2 certification for security and risk management. The Level 2 certification is based on the effective management of security and integrity, using four key components: ISO/IEC 27001 international standards for information security; lottery-specific security processes and controls; requirements for products offered by the lottery; and controls required for offering games run by the Multi-State Lottery Association (MUSL). The Lottery's information system has also been certified by MSECBC, an accredited Management Systems Certification Body.</p>	
<p>6c. Provide a measure(s) of the program's impact.</p> <p>1.) Annual Transfers to Education - FY 22 proceeds to education were \$400 million, the highest in Lottery history.</p> <p>2.) State Tax Withholdings and Debt Offsets on Lottery Winnings - In FY 2022, the Lottery remitted \$5.1 million in state tax withholdings to Missouri Department of Revenue and \$1.2 million in debt offsets to various state agencies from Lottery prize winnings.</p>	<p>6d. Provide a measure(s) of the program's efficiency.</p> <p>1.) In FY 21, Missouri Lottery's administrative expenses were 3.40% of sales compared to the FY 21 U.S. Lottery industry average of 6.02% and the contiguous state lotteries' average of 6.29%.</p>
<p>7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <ul style="list-style-type: none"> • Explore optimization of our portfolio through product changes, new innovations, new partnerships and new player touchpoints. • Continued expansion of succession plan to mitigate business interruption and develop and retain high-potential employees; continued emphasize on reducing employee turnover; continue implementing employee development plans to improve employee satisfaction; continue providing employees with career guidance and encouragement through formal mentor partnerships. • Continued development and implementation of new and alternative sales and payment channels at retail. </div>	

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION - PRIZES								
Lottery Prizes Increase - 1860093								
MISCELLANEOUS EXPENSES	0	0.00	0	0.00	26,202,775	0.00	26,202,775	0.00
TOTAL - EE	0	0.00	0	0.00	26,202,775	0.00	26,202,775	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$26,202,775	0.00	\$26,202,775	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$26,202,775	0.00	\$26,202,775	0.00

DECISION ITEM SUMMARY

Budget Unit									
Decision Item									
Budget Object Summary	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024	
Fund	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
LOTTERY FUND TRANSFER									
CORE									
FUND TRANSFERS									
STATE LOTTERY FUND	65,000,000	0.00	71,093,014	0.00	71,093,014	0.00	71,093,014	0.00	
TOTAL - TRF	65,000,000	0.00	71,093,014	0.00	71,093,014	0.00	71,093,014	0.00	
TOTAL	65,000,000	0.00	71,093,014	0.00	71,093,014	0.00	71,093,014	0.00	
Vendor Pmt Cost to Continue - 1860090									
FUND TRANSFERS									
STATE LOTTERY FUND	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00	
TOTAL - TRF	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00	
TOTAL	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00	
Lottery Advertising Increase - 1860091									
FUND TRANSFERS									
STATE LOTTERY FUND	0	0.00	0	0.00	7,600,000	0.00	0	0.00	
TOTAL - TRF	0	0.00	0	0.00	7,600,000	0.00	0	0.00	
TOTAL	0	0.00	0	0.00	7,600,000	0.00	0	0.00	
Lottery Sponsorships Increase - 1860092									
FUND TRANSFERS									
STATE LOTTERY FUND	0	0.00	0	0.00	1,884,993	0.00	0	0.00	
TOTAL - TRF	0	0.00	0	0.00	1,884,993	0.00	0	0.00	
TOTAL	0	0.00	0	0.00	1,884,993	0.00	0	0.00	
Pay Plan - 0000012									
FUND TRANSFERS									
STATE LOTTERY FUND	0	0.00	0	0.00	0	0.00	702,614	0.00	
TOTAL - TRF	0	0.00	0	0.00	0	0.00	702,614	0.00	
TOTAL	0	0.00	0	0.00	0	0.00	702,614	0.00	
GRAND TOTAL	\$65,000,000	0.00	\$71,093,014	0.00	\$85,884,599	0.00	\$77,102,220	0.00	

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CORE DECISION ITEM

Department	REVENUE	Budget Unit	87215C
Division	MISSOURI LOTTERY COMMISSION		
Core -	TRANSFER FOR OPERATIONS	HB Section	4.185

1. CORE FINANCIAL SUMMARY

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	71,093,014	71,093,014
Total	0	0	71,093,014	71,093,014
FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: State Lottery Fund (0682)

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	71,093,014	71,093,014
Total	0	0	71,093,014	71,093,014
FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: State Lottery Fund (0682)

2. CORE DESCRIPTION

This core represents the transfer to the Lottery Enterprise Fund (Fund 0657) necessitated by creation of the State Lottery Fund (Fund 0682) in 2017 to fund Lottery operations.

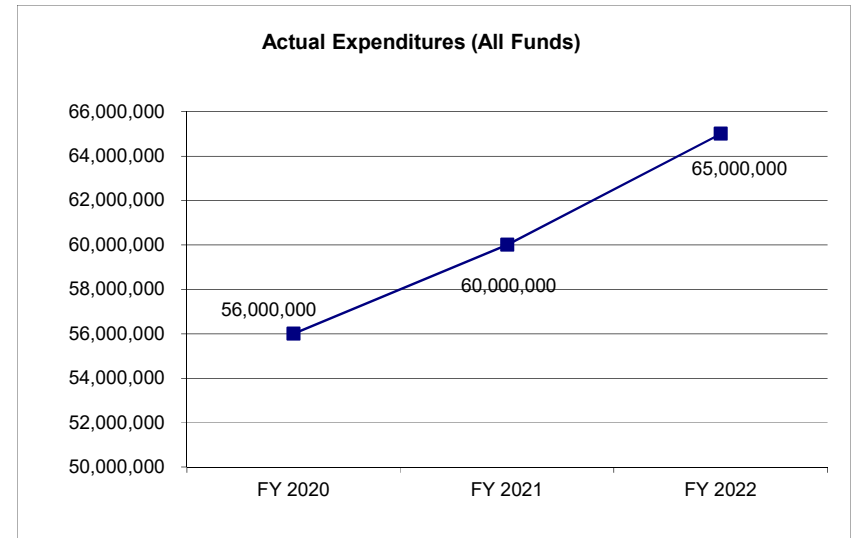
CORE DECISION ITEM

Department	REVENUE	Budget Unit	87215C
Division	MISSOURI LOTTERY COMMISSION		
Core -	TRANSFER FOR OPERATIONS	HB Section	4.185

3. PROGRAM LISTING (list programs included in this core funding)

4. FINANCIAL HISTORY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Current Yr.	FY 2023 Current Yr.
Appropriation (All Funds)	76,294,439	72,979,593	71,979,476	71,093,014
Less Reverted (All Funds)	0	0	0	0
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	76,294,439	72,979,593	71,979,476	71,093,014
Actual Expenditures (All Funds)	56,000,000	60,000,000	65,000,000	N/A
Unexpended (All Funds)	20,294,439	12,979,593	6,979,476	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	20,294,439	12,979,593	6,979,476	N/A



Reverted includes Governor's standard 3 percent reserve (when applicable).
 Restricted includes any extraordinary expenditure restrictions (when applicable).

NOTES:

CORE RECONCILIATION DETAIL

STATE
LOTTERY FUND TRANSFER

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
TAFP AFTER VETOES	TRF	0.00	0	0	71,093,014	71,093,014	
	Total	0.00	0	0	71,093,014	71,093,014	
<hr/>							
DEPARTMENT CORE REQUEST	TRF	0.00	0	0	71,093,014	71,093,014	
	Total	0.00	0	0	71,093,014	71,093,014	
<hr/>							
GOVERNOR'S RECOMMENDED CORE	TRF	0.00	0	0	71,093,014	71,093,014	
	Total	0.00	0	0	71,093,014	71,093,014	
<hr/>							

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY FUND TRANSFER								
CORE								
TRANSFERS OUT	65,000,000	0.00	71,093,014	0.00	71,093,014	0.00	71,093,014	0.00
TOTAL - TRF	65,000,000	0.00	71,093,014	0.00	71,093,014	0.00	71,093,014	0.00
GRAND TOTAL	\$65,000,000	0.00	\$71,093,014	0.00	\$71,093,014	0.00	\$71,093,014	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$65,000,000	0.00	\$71,093,014	0.00	\$71,093,014	0.00	\$71,093,014	0.00

NEW DECISION ITEM
RANK: 1 OF

Department REVENUE
Division MISSOURI LOTTERY COMMISSION
DI Name Transfer for Operations Increase **DI#** 1860093

Budget Unit 87213C
HB Section 4.175

1. AMOUNT OF REQUEST

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	14,791,585	14,791,585
Total	0	0	14,791,585	14,791,585
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: State Lottery Fund (0682)

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	6,009,206	6,009,206
Total	0	0	6,009,206	6,009,206
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: State Lottery Fund (0682)

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

The Transfer for Operations is a new transfer beginning in FY 2017. The core appropriation represents the transfer to the Lottery Enterprise Fund (Fund 0657) from the State Lottery Fund (Fund 0682) to fund Lottery operations. The State Lottery Fund (0682) was created in FY 2016 in section 4.170 of HB 2004 to receive all monies received by the Lottery from ticket sales and all other sources.

NEW DECISION ITEM									
RANK: <u>1</u>					OF <u> </u>				
Department <u>REVENUE</u>					Budget Unit <u>87213C</u>				
Division <u>MISSOURI LOTTERY COMMISSION</u>									
DI Name <u>Transfer for Operations Increase</u>				DI# <u>1860093</u>		HB Section <u>4.175</u>			
4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)									
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Lottery request includes:</p> <p>Advertising Increase \$7,600,000</p> <p>Sponsorships Increase \$1,884,993</p> <p>Lottery game vendors increase <u>\$5,306,592</u></p> <p style="text-align: right;">\$14,791,585</p> </div> <div style="width: 45%;"> <p>Governor Rec includes:</p> <p>Lottery game vendors increase \$5,306,592</p> <p>Pay Plan cost to continue \$ <u>702,614</u></p> <p style="text-align: right;">\$6,009,206</p> </div> </div>									
5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Transfers	0		0		14,791,585		14,791,585		0
Total TRF	0		0		14,791,585		14,791,585		0
Grand Total	0	0.0	0	0.0	14,791,585	0.0	14,791,585	0.0	0
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Transfers	0		0		6,009,206		6,009,206		0
Total TRF	0		0		6,009,206		6,009,206		0
Grand Total	0	0.0	0	0.0	6,009,206	0.0	6,009,206	0.0	0

NEW DECISION ITEM
RANK: 1 **OF**

Department <u>REVENUE</u>	Budget Unit <u>87213C</u>
Division <u>MISSOURI LOTTERY COMMISSION</u>	
DI Name <u>Transfer for Operations Increase</u> DI# <u>1860093</u>	HB Section <u>4.175</u>

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an activity measure(s) for the program.

- 1) Lottery Retailers - 4,700 Lottery Retailers across the state received \$104.2 million in retailer commissions and incentives in FY 2022.
- 2) Lottery Players - \$1.3 billion paid to players in prizes in FY 2022.
- 3) Minority and Women-owned Businesses - \$17.0 million and \$6.6 million to minority and women-owned businesses, respectively, in FY 2022, for participation rates of 11.18% and 4.32% respectively.

6b. Provide a measure(s) of the program's quality.

- 1) Player Satisfaction - Increases in ticket sales reflect player satisfaction. FY 2022 sales exceeded \$1.8 billion, tied with FY 21 for the highest in Missouri Lottery history.
- 2) Retailer Satisfaction - 2022 retailer satisfaction survey showed an overall satisfaction with the Lottery of 4.28 out of 5.
- 3) Responsible Gaming - Missouri Lottery has achieved Level 4 certification through the World Lottery Association's responsible gaming framework, the highest certification status. Only 8 US lotteries have achieved Level 4 status. Missouri Lottery also offers a self-exclusion program for players who classify themselves as problem gamblers.
- 4) Statutory audits - Missouri Lottery is audited by the State Auditor's Office (SAO) every two years and annually by an independent certified public accounting (CPA) firm, consistently receiving "Excellent" ratings from the SAO and unmodified opinions from the independent CPA firm. The most recent SAO audit, covering the two years ended June 30, 2020, contained no findings and an "Excellent" rating.
- 5) Excellence in Reporting - Missouri Lottery has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for each of the last 22 years. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Annual Comprehensive Financial Reports can be found on our website.

NEW DECISION ITEM
RANK: 1 **OF** 1

Department <u>REVENUE</u> Division <u>MISSOURI LOTTERY COMMISSION</u> DI Name <u>Transfer for Operations Increase</u> DI# <u>1860093</u>	Budget Unit <u>87213C</u> HB Section <u>4.175</u>
<p>6c. Provide a measure(s) of the program's impact.</p> <p>1.) Annual Transfers to Education - FY 22 proceeds to education were \$400 million, the highest in Lottery history.</p> <p>2.) State Tax Withholdings and Debt Offsets on Lottery Winnings - In FY 2022, the Lottery remitted \$5.1 million in state tax withholdings to Missouri Department of Revenue and \$1.2 million in debt offsets to various state agencies from Lottery prize winnings.</p>	<p>6d. Provide a measure(s) of the program's efficiency.</p> <p>1.) In FY 21, Missouri Lottery's administrative expenses were 3.40% of sales compared to the FY 21 U.S. Lottery industry average of 6.02% and the contiguous state lotteries' average of 6.29%.</p>
<p>7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <ul style="list-style-type: none"> • Explore optimization of our portfolio through product changes, new innovations, new partnerships and new player touchpoints. • Continued expansion of succession plan to mitigate business interruption and develop and retain high-potential employees; continued emphasize on reducing employee turnover; continue implementing employee development plans to improve employee satisfaction; continue providing employees with career guidance and encouragement through formal mentor partnerships. • Continued development and implementation of new and alternative sales and payment channels at retail. </div>	

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY FUND TRANSFER								
Vendor Pmt Cost to Continue - 1860090								
TRANSFERS OUT	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00
TOTAL - TRF	0	0.00	0	0.00	5,306,592	0.00	5,306,592	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$5,306,592	0.00	\$5,306,592	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$5,306,592	0.00	\$5,306,592	0.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY FUND TRANSFER								
Lottery Advertising Increase - 1860091								
TRANSFERS OUT	0	0.00	0	0.00	7,600,000	0.00	0	0.00
TOTAL - TRF	0	0.00	0	0.00	7,600,000	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$7,600,000	0.00	\$0	0.00
GENERAL REVENUE								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS								
	\$0	0.00	\$0	0.00	\$7,600,000	0.00		0.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY FUND TRANSFER								
Lottery Sponsorships Increase - 1860092								
TRANSFERS OUT	0	0.00	0	0.00	1,884,993	0.00	0	0.00
TOTAL - TRF	0	0.00	0	0.00	1,884,993	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$1,884,993	0.00	\$0	0.00
GENERAL REVENUE								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS								
	\$0	0.00	\$0	0.00	\$1,884,993	0.00		0.00

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY FUND TRANSFER								
Pay Plan - 0000012								
TRANSFERS OUT	0	0.00	0	0.00	0	0.00	702,614	0.00
TOTAL - TRF	0	0.00	0	0.00	0	0.00	702,614	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$702,614	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$702,614	0.00

DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
LOTTERY COMMISSION-TRANSFER									
CORE									
FUND TRANSFERS									
STATE LOTTERY FUND	400,260,827	0.00	390,043,875	0.00	366,844,359	0.00	390,043,875	0.00	
TOTAL - TRF	400,260,827	0.00	390,043,875	0.00	366,844,359	0.00	390,043,875	0.00	
TOTAL	400,260,827	0.00	390,043,875	0.00	366,844,359	0.00	390,043,875	0.00	
GRAND TOTAL	\$400,260,827	0.00	\$390,043,875	0.00	\$366,844,359	0.00	\$390,043,875	0.00	

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CORE DECISION ITEM

Department	REVENUE	Budget Unit	87218C
Division	MISSOURI LOTTERY COMMISSION		
Core -	TRANSFER TO LOTTERY PROCEEDS FUND	HB Section	4.190

1. CORE FINANCIAL SUMMARY

	FY 2024 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	366,844,359	366,844,359
Total	0	0	366,844,359	366,844,359
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: State Lottery Fund (0682)

	FY 2024 Governor's Recommendation			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	390,043,875	390,043,875
Total	0	0	390,043,875	390,043,875
FTE	0.00	0.00	0.00	0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: State Lottery Fund (0682)

2. CORE DESCRIPTION

This transfer appropriation represents the projected profits generated by the Missouri Lottery. The Lottery seeks to maximize this transfer through innovative product development, effective marketing, efficient distribution and superior customer service. The requested transfer is based on a five-year benchmark of actual transfers plus 1% and represents a reduction to the core transfer budget of \$23,199,516 to better approximate actual.

Fiscal Year	Transfer to Education
2019	323,000,000
2020	333,000,000
2021	345,032,500
2022	400,260,827
Plus FY 22 carryover to FY 23	39,300,272
Projected 2023	375,467,583
Five-Year Benchmark	363,212,236
Benchmark + 1%	366,844,359

CORE DECISION ITEM

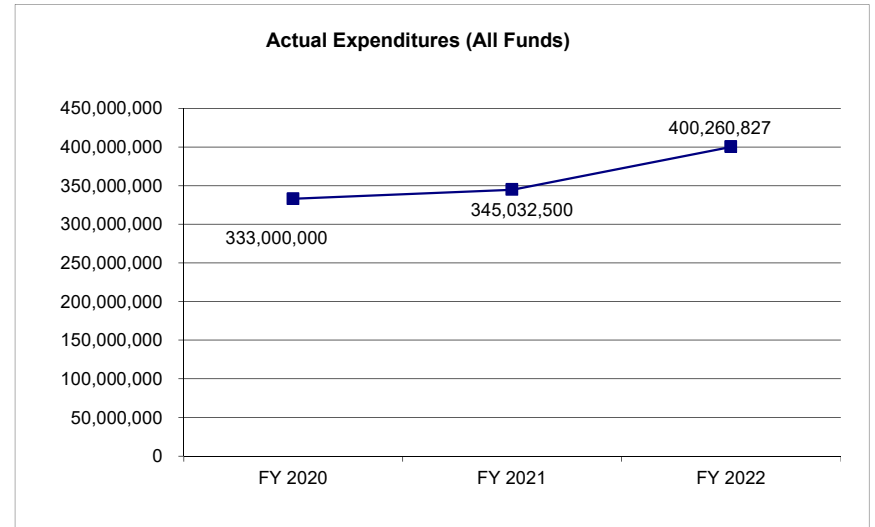
Department	REVENUE	Budget Unit	87218C
Division	MISSOURI LOTTERY COMMISSION		
Core -	TRANSFER TO LOTTERY PROCEEDS FUND	HB Section	4.190

3. PROGRAM LISTING (list programs included in this core funding)

Transfer of profits generated by the Missouri Lottery to the Lottery Proceeds Fund for public education.

4. FINANCIAL HISTORY

	FY 2020 Actual	FY 2021 Actual	FY 2022 Current Yr.	FY 2023 Current Yr.
Appropriation (All Funds)	333,000,000	345,032,500	400,260,827	366,844,359
Less Reverted (All Funds)	0	0	0	0
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	333,000,000	345,032,500	400,260,827	366,844,359
Actual Expenditures (All Funds)	333,000,000	345,032,500	400,260,827	N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A



Reverted includes Governor's standard 3 percent reserve (when applicable).

Restricted includes any extraordinary expenditure restrictions (when applicable).

NOTES:

Supplemental budget requests were approved in the amount of \$8 million in FY 21 and \$62,128,327 in FY 22 to transfer profit associated with higher than expected sales.

CORE RECONCILIATION DETAIL

STATE
LOTTERY COMMISSION-TRANSFER

5. CORE RECONCILIATION DETAIL

				Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES										
				TRF	0.00	0	0	390,043,875	390,043,875	
				Total	0.00	0	0	390,043,875	390,043,875	
DEPARTMENT CORE ADJUSTMENTS										
Core Reduction	284	T137	TRF		0.00	0	0	(23,199,516)	(23,199,516)	Based on five-year benchmark of actual transfers plus 1% to better approximate actual.
NET DEPARTMENT CHANGES					0.00	0	0	(23,199,516)	(23,199,516)	
DEPARTMENT CORE REQUEST										
				TRF	0.00	0	0	366,844,359	366,844,359	
				Total	0.00	0	0	366,844,359	366,844,359	
GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS										
Core Reduction	284	T137	TRF		0.00	0	0	23,199,516	23,199,516	Based on five-year benchmark of actual transfers plus 1% to better approximate actual.
NET GOVERNOR CHANGES					0.00	0	0	23,199,516	23,199,516	
GOVERNOR'S RECOMMENDED CORE										
				TRF	0.00	0	0	390,043,875	390,043,875	
				Total	0.00	0	0	390,043,875	390,043,875	

DECISION ITEM DETAIL

Budget Unit	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	FY 2024
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LOTTERY COMMISSION-TRANSFER								
CORE								
TRANSFERS OUT	400,260,827	0.00	390,043,875	0.00	366,844,359	0.00	390,043,875	0.00
TOTAL - TRF	400,260,827	0.00	390,043,875	0.00	366,844,359	0.00	390,043,875	0.00
GRAND TOTAL	\$400,260,827	0.00	\$390,043,875	0.00	\$366,844,359	0.00	\$390,043,875	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$400,260,827	0.00	\$390,043,875	0.00	\$366,844,359	0.00	\$390,043,875	0.00